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No. - .

Supreme Court, U.S.
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In the
Supreme Court of the United States.

OCTOBER TERM, 1986.

L.L. BEAN, INC.,
APPELLANT,

v.

DRAKE PUBLISHERS, INC., ET AL.,
APPELLEES.

ON APPEAL FROM THE UNITED STATES COURT OF APPEALS
FOR THE FIRST CIRCUIT.

Jurisdictional Statement.

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May 5, 1987

BATEMAN & SLADE, INC. BOSTON, MASSACHUSETTS.

Question Presented.

Whether the Maine trademark antidilution statute, Me. Rev. Stat. Ann. tit. 10, § 1530 violates the Free Speech Clause of the First Amendment when it is applied to enjoin the publisher of a commercially distributed pornographic magazine from causing undisputed damage to a trademark owner's business reputation through the publisher's unauthorized use of the owner's uniquely strong trademarks in a sexually explicit satire.

List of Parties.

The parties to the proceedings below were the appellant L.L. Bean, Inc. and the appellees Drake Publishers, Inc. and its officers and employees, Gloria Leonard, Louis Montesano, Nina Malkin, Linda Francischelli, Kevin Goodman, Kenneth Kimmel, Larry Graber, Arnold Held, Bruce Jacobsen, L. E. Goodman, Richard Crespo, Marty Puntus, Jerry Levine, Susan Ercolano, Yamael Bonheur and Joy Bonheur.

Appellant L.L. Bean, Inc. has no parent companies, subsidiaries or affiliates to list pursuant to Rule 28.1.

Table of Contents.

Question presented	i
List of parties	iii
Opinions below	1
Jurisdiction	2
Constitutional provision and state statute involved	2
How the federal question was raised	2
Statement of the case	4
The question presented is substantial	8
A. This case presents an issue left unresolved by previous Supreme Court cases	8
B. This issue has national importance	10
C. The lower courts are in sharp conflict	11
D. Confusion exists over the concept of "commercial speech"	13
E. The First Circuit's confusion of trademark and copyright law concepts should not be left uncorrected	14
Conclusion	17
Appendix	follows p. 17

Table of Authorities Cited.

CASES.

Bolger v. Youngs Drug Products Corp., 463 U.S. 60 (1983)	13
Central Hudson Gas & Electric Corp. v. Public Service Commission, 447 U.S. 557 (1980)	14
Chemical Corp. of America v. Anheuser-Busch, Inc., 306 F.2d 433 (5th Cir. 1962), cert. den., 372 U.S. 965 (1963)	12n

Coca Cola Co. v. Gemini Rising, Inc., 346 F.Supp. 1183 (E.D.N.Y. 1972) 12n

Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd., 604 F.2d 200 (2d Cir. 1979) 11

Edgar Rice Burroughs, Inc. v. Manns Theatres, 195 U.S.P.Q. (BNA) 159 (C.D. Cal. 1976) 12n

Friedman v. Rogers, 440 U.S. 1 (1979) 8, 9, 10, 14

Gucci Shops, Inc. v. R. H. Macy & Co., 446 F.Supp. 838 (S.D.N.Y. 1977) 12n

Hanover Star Milling Company v. Metcalf, 240 U.S. 403 (1916) 8, 15

Harper & Row, Publishers, Inc. v. Nation Enterprises, 471 U.S. 539 (1985) 15, 16n

L.L. Bean, Inc. v. Drake Publishing, Inc., 625 F.Supp. 1531 (D. Me. 1986) 1, 3, 7

L.L. Bean, Inc. v. Drake Publishing, Inc., 811 F.2d 26 (1st Cir. 1987) 1, 4, 8, 13n

Mutual of Omaha Insurance Co. v. Novak, 775 F.2d 247 (8th Cir. 1985) 11

Original Appalachian Artworks, Inc. v. Topps Chewing Gum, Inc., 642 F.Supp. 1031 (N.D. Ga. 1986) 12n

Pillsbury Co. v. Milky Way Productions, Inc., 215 U.S.P.Q. (BNA) 124 (N.D. Ga. 1981) 16n

Sony Corp., v. Universal City Studios, Inc., 464 U.S. 417 (1984) 16n

Virginia State Board of Pharmacy v. Virginia Citizens Consumer Council, Inc., 425 U.S. 748 (1976) 13, 14

Walt Disney Productions v. Air Pirates, 581 F.2d 751 (9th Cir. 1978) 16

Wooley v. Maynard, 430 U.S. 705 (1977) 14

Zauderer v. Office of Disciplinary Counsel, 471 U.S. 626 (1985) 13

CONSTITUTIONAL PROVISIONS.

United States Constitution
Amendment I *passim*

STATUTES.

Federal:

15 U.S.C. § 1114(1) (1982) 11
17 U.S.C. § 107 (1976) 15n, 16n
28 U.S.C. § 1254(2) (1976) 2

State:

Alabama, Ala. Code § 8-12-17 (Supp. 1983) 10n
Arkansas, Ark. Stat. Ann. § 70-550 (1979) 10n
California, Cal. Bus. & Prof. Code § 14330 (West Supp. 1985) 10n
Connecticut, Conn. Gen. Stat. Ann. § 35-11i(c) (West 1981) 10n
Delaware, Del. Code Ann. tit. 6, § 3313 (Supp. 1982) 10n
Florida, Fla. Stat. Ann. § 495.151 (West 1972) 10n
Georgia, Ga. Code § 10-1-451(b) (1986) 10n
Idaho, Ida. Code § 48-512 (1977) 10n
Illinois, Ill. Rev. Stat. ch. 140, § 22 (1984) 10n

Iowa, Ia. Code Ann. § 548.11(2) (Supp. 1983) 10n

Massachusetts, Mass. Gen. Laws Ann., ch. 110, § 12 (West 1985) 10n

Maine, Rev. Stat. Ann. tit. 10, § 1530 (1981) *passim*

Missouri, Mo. Ann. Stat. § 417,061 (Vernon 1979) 10n

Montana, Mont. Code Ann. § 30-13-334 (1983) 10n

Nebraska, Neb. Rev. Stat. § 87-122 (1981) 10n

New Hampshire, N.H. Rev. Stat. Ann. § 350-A:12 (Supp. 1981) 10n

New Mexico, N.M. Stat. Ann. § 57-3-10 (1978) 10n

New York, N.Y. Gen. Bus. Law § 368(d) (McKinney 1968) 10n

Oregon, Or. Rev. Stat. § 647.107 (1981) 10n

Pennsylvania, 54 Pa. Cons. Stat. Ann. § 1124 (Purdon Supp. 1983) 10n

Rhode Island, R.I. Gen. Law § 6-2-12 (Supp. 1983) 10n

Tennessee, Tenn. Code Ann. ¶ 47-25-433 (Supp. 1983) 10n

MISCELLANEOUS.

2 McCarthy, Trademarks & Unfair Competition, 24.13 (2d ed. 1984) 14n

Denicola, Trademarks as Speech: Constitutional Implications of the Emerging Rationales for the Protection of Trade Symbols, 1982 Wis. L. Rev. 158 12

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Jurisdictional Statement.

Opinions Below.

The opinion of the United States Court of Appeals for the First Circuit, which appears in the appendix hereto, p. 15a *infra*, is reported at 811 F.2d 26 (1st Cir. 1987).

The opinion of the United States District Court for the District of Maine, which appears in the appendix, p. 1a *infra*, is reported at 625 F. Supp. 1531 (D. Me. 1986).

Jurisdiction.

Appellant L.L. Bean, Inc. appeals from the final judgment of the United States Court of Appeals for the First Circuit dated February 10, 1987, holding that, as applied in this case, the Maine trademark antidilution statute, Me. Rev. Stat. Ann. tit. 10, § 1530 (1981), is unconstitutional. The jurisdiction of the Supreme Court to hear this appeal rests on 28 U.S.C. § 1254(2) (1976).

Constitutional Provision and State Statute Involved.

U.S. Constitution, Amendment I:

"Congress shall make no law . . . abridging the freedom of speech . . . ."

. . . . . .

Me. Rev. Stat. Ann. tit. 10, § 1530 (1981):

> Likelihood of injury to business reputation or of dilution of the distinctive quality of a mark registered under this chapter, or a mark valid at common law, or a trade name valid at common law, shall be a ground for injunctive relief notwithstanding the absence of competition between the parties or the absence of confusion as to the source of the goods or services.

How The Federal Question Was Raised.

The issue of whether or not the Maine trademark antidilution statute as applied to this case violated the Free Speech Clause

of the First Amendment was raised at the earliest stages of this litigation. Alleging federal question, diversity, and pendent jurisdiction, L.L. Bean, Inc. filed a complaint in eight counts in the United States District Court for the District of Maine (A. 20-42).[1] Count I sought to enjoin the appellees under Me. Rev. Stat. Ann. tit. 10, § 1530 (A. 27-28). The answer posed as a Fourth Affirmative Defense:

> The complained of matter published in Exhibit 1 by the Defendant Drake is a parody, and, accordingly, does not infringe any rights of the plaintiff and is protected by the First Amendment of the United States Constitution.

(A. 49.)

Drake Publishers, Inc. then moved for summary judgment on the complaint, again invoking the First Amendment (A. 51, 66-69). L.L. Bean, Inc. filed a cross-motion for summary judgment alleging that parody is no defense to an action under the Maine statute and that the First Amendment was no bar to an injunction (A. 183-185).

The district court granted summary judgment in Bean's favor on the antidilution count of the complaint (A. 315), finding that no facts were in dispute, that each of the elements of § 1530 was established, and that "the Constitution would not be offended by the grant of an injunction to prevent trademark dilution." 625 F. F.Supp. at 1538; 12a.

The United States Court of Appeals for the First Circuit reversed that order, although it expressly declined to review the district court's ruling on the reach of the Maine statute, concluding: "we shall confine our review to whether the injunc-

[1] References to the record appendix filed in the United States Court of Appeals for the First Circuit appear as (A.).

tion offends the first amendment." 811 F.2d at 26; 17a. It then held that, as applied, the Maine antidilution statute violated the Free Speech Clause. 811 F.2d at 32; 27a. Thus, this case turns exclusively on issues of federal constitutional law.

Statement of the Case.

L.L. Bean, Inc. is a Maine corporation that markets $240 million worth of sporting goods and apparel through mail-order catalogs using the registered trademarks "L.L. Bean" and "Bean's" (A. 136). Drake Publishers, Inc. is the New York publisher of *High Society*, a monthly magazine of hard-core pornography (A. 137). The October 1984 issue of *High Society* contained a two page feature entitled "L.L. Beam's Back-To-School Sex Catalog" which depicted and discussed such articles as "Beam's exclusive Fuck n' Fold sex chair" (A. 42). Among other state and federal causes of action, appellant invoked the Maine trademark antidilution statute, Me. Rev. Stat. Ann. tit. 10, § 1530, to enjoin tarnishment of its trademarks (A. 20-42).

The facts are not in dispute. L.L. Bean has been in the business of selling hunting, camping, and sporting apparel and equipment through catalogs and direct mailings since 1912 (A. 94). Bean acquired the trademarks and trade names "L.L. Bean" and "Bean's" under common law and has registered them under federal trademark statutes (A. 136). The trademarks appear in what is known as Cheltenham typeface, commonly in a color scheme of green against buff (A. 75, 76, 136).

Bean has spent hundreds of millions of dollars in nurturing its position of acceptance and goodwill among the consuming public (A. 72, 94). The principal images it chooses to project are integrity, decency, wholesomeness, and quality goods and service (A. 137, 310).

Bean has used its registered trademarks continuously since 1912 in its interstate, intrastate, and foreign commerce (A. 152). It does not license the marks to any other person or entity and has never authorized Drake Publishers to use them (A. 73, 136). Similarly, Bean itself has never used the trademarks to advertise in *High Society* or any other similar publication (A. 137-138). The company has formed the judgment that such advertising would be contrary to Bean's economic self-interest because its customers as a group are substantially different from the readers of pornographic magazines (A. 72, 137-138, 155).

The October 1984 issue of *High Society* was sold for $3.75 per issue on newsstands in Maine and other states (A. 136). On its cover was a photograph of a naked woman (A. 39). The table of contents for the October 1984 issue boasted 3,000,000 readers monthly (A. 40). In the center of the table of contents were four photographs of wholly or partially naked women (A. 40). Three of the photographs depicted exposed female genitals or one or more females engaged in masturbation (A. 40). Among the twenty articles listed was one entitled "L.L. Beam's Sex Catalog" (A. 40).

At the top of a two-page article appearing on pages 36 and 37 of the magazine, the one-inch lettering "L.L. Beam's" appeared in green Cheltenham typeface on a light colored background (A. 41, 138). The article was subtitled "Back-to-School Sex Catalog" (A. 41). Among the introductory remarks were "So check out the latest in Beam's campus fashions to keep you right in step this fall and make you the school stud." (A. 41.)

Three photographs were reproduced on the first page of the Sex Catalog (A. 41). One, over the title "Swiss Army Knife and Pocket Dildo" (A. 41), depicted a naked woman masturbating with a sexual device attached to cutting implements (A. 41). The second photograph depicted a man, clad from head to hips in fishing gear, but naked from the waist down (A. 41). At the end of the line on a fishing rod in his hand was a facsimile of a penis, which dangled in front of the open mouth of a naked woman (A. 41).

The second page of the "Sex Catalog" contained five photographs (A. 42). One was of a naked man and woman, lying head-to-foot on a chair, engaged in simulated fellatio and cunnilingus (A. 42). Text underneath the photograph read:

> "You've just finished a ten-mile trek through the woods and your girlfriend's tits have been making you horny all the way up the hill. It will take at least an hour to pitch your tent, but your pecker's already poking out of your hiking shorts. You need Beam's exclusive Fuck n' Fold sex chair. Fully adjustable, with three positions: basic missionary, doggie-style and sixty-nine (shown here) . . . ."

(A. 42.)

A second photograph was of an article of tartan material covering male genitals (A. 41). The head of an apparently naked woman was beside it (A. 42). Accompanying text read:

> "Add a little color and zip to your love life with Beam's bikini-cut plaid brief. A more intimate ver-

> sion of our popular tartan walking shorts, made of the same handwoven cotton faric [*sic*] . . . Shit and piss stains wash right out!"

(A. 42.)

The remaining items depicted on that page were entitled "Cum Shoes," described as having "soles of vulcanized semen," and a "Porkpie Hat," which was worn by a large-breasted woman, naked to the waist (A. 42).

Bean immediately sought injunctive relief in the United States Court for the District of Maine (A. 2). Count I of its complaint alleged that Drake and the individual defendants diluted the strength of the L.L. Bean trademarks and in so doing injured Bean's business reputation and acceptance with its customers (A. 27-28). Drake and the other defendants conceded that parody is not a defense at trademark law, but invoked it, and the First Amendment, as bars to Bean's complaint (A. 296-297).

In ruling on the cross-motions for summary judgment, the district court observed that Me. Rev. Stat. Ann. tit. 10, § 1530 has never been construed by courts of the State of Maine (A. 308); 625 F. Supp. at 1536; 8a. It found the evidence to be undisputed that Bean's trademarks are distinctive, strong, and among the best known and highly regarded trademarks in the retail field (A. 310); 625 F. Supp. at 1537; 10a. Drake had not contested expert evidence that "*Any* negative association with L.L. Bean is significant," (emphasis in original) or that the Bean trademarks were tarnished by the "Sex Catalog" (A. 310); 625 F. Supp. at 1536; 10a. Finding that each of the elements of trademark dilution under Me. Rev. Stat. Ann. tit. 10, § 1530, including damage, had been established, the district court rejected Drake's First Amendment defense and granted injunctive relief (A. 312). As discussed above, the

Court of Appeals for the First Circuit reversed and remanded the case, over the dissent of the chief judge, on the constitutional issue. 811 F.2d at 34; 31a.

The Question Presented Is Substantial.

This case presents an important issue that has never been addressed by the Supreme Court: whether the First Amendment confers on the publisher of a pornographic magazine the right to make unauthorized use of, and undisputably abuse and tarnish, common law and statutorily protected trademark property rights in the course of an attempted parody. The issue is worthy of review because it has nationwide significance in the operation of state and federal trademark laws and because it is the subject of intolerable conflict among the circuits. The case presents a clear confrontation between long-established private property rights and the judicial expansion of First Amendment principles. In addition, the focused juxtaposition of competing constitutional interests in the context of the simple, undisputed facts presented in this case provides a vehicle for the Supreme Court to establish much-needed guidelines in an uncharted area of statutory and constitutional law.

A. *This Case Presents an Issue Left Unresolved by Previous Supreme Court Cases.*

Prior precedent of this Court leaves no room to question that a trademark is "a valuable property [right] of [a] business, protected from appropriation by others." *Friedman* v. *Rogers*, 440 U.S. 1, 12 n.11 (1979). *See also Hanover Star Milling Company* v. *Metcalf*, 240 U.S. 403, 413 (1916). Indeed, a trademark is the very image of its owner. Over time, and

through the owner's careful cultivation, it triggers with customers an association between the business itself and its values and commercial practices. *See Friedman* v. *Rogers*, *supra*, 440 U.S. at 12.

This Court has never decided when, if ever, property rights in a trademark must yield to any unauthorized use, let alone a use which damages the distinctive value of that mark. Indeed, the intersection between trademark law and the First Amendment has been approached only once. In *Friedman* v. *Rogers*, a First Amendment challenge was raised to a Texas statute that prohibited commercial optometrists from practicing under a trade name. In upholding the statute, this Court recognized that, in addition to having a property right in a trademark, the mark's owner has a right of "commercial speech" as well. That latter right was entitled to protection under a First Amendment standard that is new and different from the traditional free-speech analysis. *Id.* at 10-11 & n. 9.

This Court recognized that two competing values, each susceptible of fundamentally different modes of judicial scrutiny, were involved:

> By definition, commercial speech is linked inextricably to commercial activity: while the First Amendment affords such speech "a limited measure of protection," it is also true that "the State does not lose its power to regulate commercial activity deemed harmful to the public whenever speech is a component of that activity." *Ohralik* v. *Ohio State Bar Assn.*, 436 U.S. 447, 456 (1978). Because of the special character of commercial speech and the relative novelty of First Amendment protection for such speech, we act with caution in confronting First

> Amendment challenges to economic legislation that serves legitimate regulatory interests.

Id. at 10-11 n. 9.

At issue here is a state statute regulating commercial activity in which speech is a component. By acknowledging the absence of clear guidelines in an area that is "as yet uncharted," *id.*, this Court effectively extended an invitation to an appeal such as this.

B. *This Issue Has National Importance.*

The issue presented here has nationwide implications and significance. Nearly 1.5 million trademarks have been registered since 1870 and over 50,000 new marks are registered each year. Billions of dollars are invested by registrants to promote goodwill associated with their marks.

Twenty-two states have enacted trademark antidilution statutes identical to, or substantially the same as, the Model State Trademark Bill version passed by the Maine Legislature.[2] In

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[2] Alabama, Ala. Code § 8-12-17 (Supp. 1983); Arkansas, Ark. Stat. Ann. § 70-550 (1979); California, Cal. Bus. & Prof. Code § 14330 (West Supp. 1985); Connecticut, Conn. Gen. Stat. Ann. § 35-11i(c) (West 1981); Delaware, Del. Code Ann. tit. 6, § 3313 (Supp. 1982); Florida, Fla. Stat. Ann. § 495.151 (West 1972); Georgia, Ga. Code § 10-1-451(b) (1986); Idaho, Ida. Code § 48-512 (1977); Illinois, Ill. Rev. Stat. ch. 140, § 22 (1984); Iowa, Ia. Code Ann. § 548.11(2) (Supp. 1983); Massachusetts, Mass. Gen. Laws Ann., ch. 110, § 12 (West 1985); Maine, Me. Rev. Stat. Ann. tit. 10, § 1530 (1980); Missouri, Mo. Ann. Stat. § 417.061 (Vernon 1979); Montana, Mont. Code Ann. § 30-13-334 (1983); Nebraska, Neb. Rev. Stat. § 87-122 (1981); New Hampshire, N.H. Rev. Stat. Ann. § 350-A:12 (Supp. 1981), New Mexico, N.M. Stat. Ann. § 57-3-10 (1978); New York, N.Y. Gen. Bus. Law § 368(d) (McKinney 1968); Oregon, Or. Rev. Stat. § 647.107 (1981); Pennsylvania, 54 Pa. Cons. Stat. Ann. § 1124 (Purdon Supp. 1983); Rhode Island, R.I. Gen. Law § 6-2-12 (Supp. 1983); Tennessee, Tenn. Code Ann. ¶ 47-25-433 (Supp. 1983).

addition, each of the fifty states has trademark infringement statutes, like Maine, that are arguably subject to the same First Amendment attack the First Circuit recognized here. Even the federal trademark infringement statute, 15 U.S.C. § 1114(1) (1982) may be subject to this challenge. Left unreviewed, the opinion of the Court of Appeals for the First Circuit in this case will have wide-ranging economic impact and will eviscerate an entire body of law that spans the nation.

C. *The Lower Courts Are in Sharp Conflict.*

In addition, this case should be reviewed in order to resolve an intolerable conflict among the circuits. In *Dallas Cowboys Cheerleaders, Inc.* v. *Pussycat Cinema, Ltd.*, 604 F.2d 200 (2d Cir. 1979), the New York antidilution statute was held to justify enjoining a commercial movie producer from abusing the plaintiff's trademark rights in a distinctive cheerleader uniform in the context of a vulgar film parody. That statute is virtually identical to the Maine statute involved here. The Second Circuit flatly rejected the identical First Amendment attack levelled here. It held:

> Plaintiff's trademark is in the nature of a property right and as such it need not "yield to the exercise of First Amendment rights under circumstances where adequate alternative avenues of communication exist."

Id. at 206 (citations omitted).

The Court of Appeals for the Eighth Circuit agrees. *See Mutual of Omaha Insurance Co.* v. *Novak*, 775 F.2d 247, 249 (8th Cir. 1985). At issue there was injury to a trademark in perhaps the purest First Amendment context. A citizen protesting nuclear proliferation abused the plaintiff's trademark by

printing "Mutant of Omaha" on T-shirts and similar articles. Nevertheless, a First Amendment challenge was rejected.

Other lower courts, although not facing frontally the conflict between a trademark owner's property rights and another's freedom of expression, have nonetheless enforced trademark protection statutes in substantially similar circumstances.[3] The issue in dispute is the subject of academic debate as well. *See* Denicola, *Trademarks as Speech: Constitutional Implications of the Emerging Rationales for the Protection of Trade Symbols*, 1982 Wis. L. Rev. 158. Without guidance from this Court, the conflict will only intensify. Indeed, a race to the courthouse and contests over venue will undoubtedly ensue. Trademark owners, fearing that their marks will be tarnished, will rush to file suit in trial courts in the Second, Fifth and Eighth Circuits. Publishers will seek declaratory relief in the First Circuit. Only a definitive decision by this Court will ensure consistent resolution of these competing rights.

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[3] *See Chemical Corp. of America* v. *Anheuser-Busch, Inc.*, 306 F.2d 433 (5th Cir. 1962), *cert. den.*, 372 U.S. 965 (1963) (insecticide maker's slogan "where there's life, there's bugs" tarnished beer producer's trademark "Where there's life, there's Bud."); *Original Appalachian Artworks, Inc.* v. *Topps Chewing Gum, Inc.*, 642 F. Supp. 1031 (N.D.Ga. 1986) ("Garbage Pail Kids" products injured owner of "Cabbage Patch Kids" trademark); *Gucci Shops, Inc.* v. *R. H. Macy & Co.*, 446 F. Supp. 838 (S.D.N.Y. 1977) (diaper bag labelled "Gucchi Goo" tarnished Gucci trademark); *Edgar Rice Burroughs, Inc.* v. *Manns Theatres*, 195 U.S.P.Q. (BNA) 159 (C.D. Cal. 1976) (abuse of Tarzan trademark); *Coca Cola Co.* v. *Gemini Rising, Inc.*, 346 F. Supp. 1183 (E.D.N.Y. 1972) (logo "Enjoy Cocaine" that resembled Coca Cola trademark enjoined).

D. *Confusion Exists Over the Concept of "Commercial Speech."*

In this case, a majority of the First Circuit[4] evidently believed that even though "L.L. Bean" and "Bean's" are trademarks and belong to someone else, Drake's use of them amounted to protected speech. The majority sought to escape the weight of contrary authority by characterizing the expression in those instances as "commercial speech" deserving of only limited First Amendment protection. The concept of "commercial speech" is of relatively recent vintage. *See Virginia State Board of Pharmacy* v. *Virginia Citizens Consumer Council, Inc.*, 425 U.S. 748 (1976). This case is but one example of the confusion that exists over the definition and application of that term. *See Zauderer* v. *Office of Disciplinary Counsel*, 471 U.S. 626, 637 (1985).

However distasteful, the "Sex Catalog" could be viewed by some as containing an element of comment on an issue of cultural or philosophical debate worthy of traditional First Amendment protections. *See Virginia State Board of Pharmacy* v. *Virginia Citizens Consumer Council, supra*, 425 U.S. at 762. Nevertheless, it is clear that such expression is also "commercial speech." *See Bolger* v. *Youngs Drug Products Corp.*, 463 U.S. 60, 66-67 (1983). After all, Drake's principal interest in expression is selling magazines and the products and services advertised in them. The extent to which a blend of "commercial" and "non-commercial" speech is to be given the lesser protections of the former, or the greater scrutiny afforded the latter, is a pressing issue of constitutional significance that only this Court can resolve.

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[4]The opinion below did not command the agreement of the entire panel. Chief Judge Campbell dissented, 811 F.2d at 34, 31a, on the basis that a federal appellate court should not pass on the constitutionality of a state statute that had never been construed by the highest court of that state.

In this case, Drake's speech uses the protected trademarks, thus speaking in the corporate voice of L.L. Bean. Whatever speech right exists for Drake must be balanced against Bean's rights in the same expression. *See Friedman* v. *Rogers, supra*, 440 U.S. at 11. The decision of the First Circuit, if allowed to stand, would compel expression by a speaker who otherwise chooses to remain silent. *See Wooley* v. *Maynard*, 430 U.S. 705, 713 (1977).

The result of the First Circuit decision is to "invite dilution, simply by a levelling process" of traditional protected speech. *See Virginia State Board of Pharmacy* v. *Virginia Citizens Consumer Council, supra*, 425 U.S. at 772. Indeed, the decision below elevates mixed commercial speech to a position superior to that of its non-commercial counterpart. Another reason to note probable jurisdiction is to correct the improper lessons the First Circuit drew from this Court's prior decisions.[5]

E. *The First Circuit's Confusion of Trademark and Copyright Law Concepts Should Not Be Left Uncorrected.*

Review is also required to rectify the Court of Appeals' fundamental misunderstanding of the principles that govern two distinct, but equally important, bodies of law: trademark and copyright. In concluding that Drake had a First Amendment

[5] Analysis of the "Sex Catalog" against the "commercial speech" standard, of course, would require reversing the First Circuit. *See Central Hudson Gas & Electric Corp.* v. *Public Service Commission*, 447 U.S. 557, 566 (1980). The Maine antidilution statute advances the asserted interest of trademark protection by eliminating the elements of confusion and competition that are required to invoke other trademark laws. *See* 2 McCarthy, *Trademarks and Unfair Competition*, 24.13 (2d ed. 1984). This legislation is content-neutral and could not be more precisely tailored. *See Central Hudson Gas & Electric Corp.* v. *Public Service Commission, supra*, 447 U.S. at 566. In this instance, had the two references to "L.L. Beam's" and the three uses of "Beam's" been eliminated from the "Sex Catalog," there would be no claim under the antidilution statute.

right to parody the Bean trademarks, the First Circuit invoked the copyright defense of "fair use."

This, however, is a trademark case. Neither at common law nor under any state or federal trademark statute is there a defense based on satiric use of another's trademark *qua* trademark. In the District Court, Drake conceded that point (A. 290-297).

In engrafting a parody exception onto the Maine trademark antidilution statute, the Court of Appeals ignored altogether the fundamental differences between the separate, respective interests protected by copyright and trademark statutes. Copyright promotes the creation of original ideas, and the subsequent debate surrounding them, by removing the creator's fear that the fruits of his genius will be lost by their exposure to the public. *See Harper & Row, Publishers, Inc.* v. *Nation Enterprises*, 471 U.S. 539, 557-558 (1985). Thus, copyright is inherently intertwined with First Amendment values.

Trademark statutes, by contrast, exist for source identification and the protection of property and the capital invested in it. *See Hanover Star Milling Co.* v. *Metcalf, supra*, 240 U.S. at 411-413. The value of a trademark lies not in the originality of its design, but in the positive association the public develops between the mark and the owner's product. Trademarks, inherently, thus have nothing to do with freedom of expression.

Despite these substantial differences, the First Circuit superimposed copyright principles upon trademark law. The court effectively accomplished what the separate states, and indeed Congress, have conscientiously refused to do: create a defense to an offense against property rights when a trademark is intentionally tarnished merely because the context is satire. If an entire body of law in general, and a state statute in particular, is to be rewritten by judicial fiat, it should, at a minimum, bear the imprimatur of the highest court of the land.[6]

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[6] 17 U.S.C. § 107 (1976), embodying copyright fair use, was "intended to restate the judicial doctrine of fair use, not to change, narrow, or enlarge it in any way." (H. Rep. 94-1476, p. 66 (1976)). Section 107 states, in part, that

This case provides an ideal opportunity for the Supreme Court to address these important issues. There are no factual disputes. The appeal was from an order granting summary judgment based upon an uncontested record. Drake, the trial court, and the Court of Appeals agreed that all of the statutory elements of trademark dilution, including damage, were established. Thus, to note probable jurisdiction is to accept review of an uncluttered question of law.

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in determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include — (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes; (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and (4) the effect of the use upon the potential market for or value of the copyrighted work. Even if statutory copyright fair use principles were judicially applied as a defense to trademark dilution, they would not excuse the defendant's actions in this case; nor did the Court of Appeals apply such standards.

The first copyright factor would be highly unfavorable to Drake. In *Sony Corp.* v. *Universal City Studios, Inc.*, 464 U.S. 417 (1984), the Supreme Court held that "for a commercial or profit-making purpose, such use would presumptively be unfair." It is not necessary that the use be exclusively commercial. In *Harper & Row, Publishers, Inc.* v. *Nation Enterprises*, 471 U.S. 539 (1985), the Court stated, "The crux of the profit/nonprofit distinction is not whether the sole motive of the use is monetary gain but whether the user stands to profit from exploitation of the copyrighted material without paying the customary price." 471 U.S. at 562.

Here Drake stood to profit, just as did *Nation* in *Harper & Row* by using the proprietary property of another in a magazine article.

The second copyright fair use factor, the nature of the work, should be interpreted in this context to provide high protection to distinctive trademarks built up and maintained by extensive advertising and goodwill.

The third factor, the amount and substantiality of the portion used, should also weigh against Drake because the variation between "L.L. Bean" and "L.L. Beam" in a highly similar logo form is a far greater similarity than would be necessary merely to "conjure up" the trademark allegedly being parodied. *Walt Disney Productions* v. *Air Pirates*, 581 F.2d 751 (9th Cir. 1978); *Pillsbury Co.* v. *Milky Way Productions, Inc.*, 215 U.S.P.Q. (BNA) 124 (N.D. Ga. 1981).

The fourth factor, the economic harm, would also be exceptionally unfavorable to Drake, given the uncontested record evidence of harm to Bean's mark.

No case better juxtaposes the competing interests of valuable property rights and unfettered expression. The unique strength of Bean's trademarks has never been challenged. Drake's abuse of the marks is unquestionably offensive and could scarcely be more contrary to the positive customer associations which Bean has spent seventy-five years and millions of dollars attempting to foster.

This case permits this Court to establish broad guidelines in a developing area of constitutional law, but leaves room for refinement as the need arises in more subtle factual situations. Probable jurisdiction should be noted.

Conclusion.

For the above-stated reasons, probable jurisdiction should be noted.

Respectfully submitted,

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May 5, 1987

Appendix.

Table of Contents.

Opinion of the United States District Court for the District of Maine 1a

Opinion of the United States Court of Appeals for the First Circuit 15a

Judgment 35a

Notice of Appeal to the Supreme Court of the United States 36a

Appendix.

L.L. BEAN, INC., Plaintiff,

v.

DRAKE PUBLISHING, INC., Gloria Leonard, Louis Montesano, Nina Malkin, Linda Francischelli, Kevin Goodman, Kenneth Kimmel, Larry Graver, Arnold Held, Bruce Jacobsen, L.E. Goodman, Richard Crespo, Marty Puntus, Jerry Levine, Susan Ercolano, Yamael Bonheur, and Joy Bonheur, Defendants.

Civ. No. 84-0305 P.

United States District Court,
D. Maine.

Jan. 16, 1986.

ORDER ON PARTIES' CROSS-MOTIONS FOR SUMMARY JUDGMENT

GENE CARTER, District Judge.

Plaintiff owns the registered trademarks "Bean," "Bean's" and "L.L. Bean" and uses them in its mail order catalog for marketing sporting goods and wearing apparel. Defendants publish *High Society*, a magazine which describes itself as providing erotic entertainment. At pages 36 and 37 of the October 1984 issue of *High Society*, there is material identified as "L.L. Beam's Sex Catalog." In this action Plaintiff seeks damages and equitable relief under both federal and state law for alleged trademark dilution, infringement, unfair competition, deceptive trade practices, interference with prospective business advantage, and trade libel. Defendants have moved for summary judgment on all counts, and Plaintiff has filed a

cross-motion for summary judgment on all but Count VI. Count VIII, Plaintiff's claim for punitive damages, is not discussed in Defendants' submissions and the resolution of Plaintiff's motion does not necessitate addressing that claim at this time. The Court will address the counts brought under federal law first.

Count II

Count II seeks relief for trademark infringement under section 32(1) of the Lanham Act, 15 U.S.C. § 1114(1), which provides that:

> (1) Any person who shall, without the consent of the registrant —
>
> (a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive;
>
> . . . . . .
>
> shall be liable in a civil action by the registrant for the remedies hereinafter provided.

Defendants concede, for purposes of this motion, that Plaintiff has registered trademarks in "Bean," "Bean's" and "L.L. Bean." They also concede that "L.L. Beam's" and "Beam's," terms used in their catalog, are colorable imitations of the "Bean's" trademark. Defendants contend, however, that Plaintiff cannot prove the required element of likelihood of confusion. *See Pignons, S.A. de Mecanique de Precision v. Polaroid Corp.*, 657 F.2d 482, 486-87 (1st Cir. 1981).

In *Pignons* the Court of Appeals set forth several factors to be considered in assessing likelihood of confusion: the similarity of the marks; the similarity of the goods; the relationship

between the parties' channels of trade; the relationship between the parties' advertising; the classes of prospective purchasers; evidence of actual confusion; the defendant's intent in adopting its mark; and the strength of the plaintiff's mark. *Id.*

In considering the similarity of the marks, the Court first notes Defendants' concession that their use of L.L. Beam is a colorable imitation of the L.L. Bean trademark. Similarity, however, "is determined on the basis of the total effect of the designation, rather than a comparison of individual features." *Id.* at 487. Often, similar marks are not as likely to be confused when they are used in conjunction with the clearly displayed name and/or logo of the manufacturer. Defendants suggest that the L.L. Beam mark is used in conjunction with the name *High Society* and its source is, therefore, not likely to be confused with the real L.L. Bean. The name *High Society* is displayed prominently on the cover and repeatedly throughout the magazine. The table of contents shows the two in conjunction. The name *High Society* does not, however, appear on the particular pages on which the sex catalog is found. The total effect of the designation, which bears on the factor of similarity, is unclear and best left for resolution by a trier of fact.

[1] Although the Court of Appeals affirmed the granting of summary judgment in *Pignons,* it did so because "[t]aking everything in Pignons' favor, still none of the factors relevant to a finding of likelihood of confusion supports Pignon's position." In this case Plaintiff has submitted data generated by a commissioned market survey which could be interpreted as showing that at least 11.5% of those surveyed were in fact confused as to the source of the "L.L. Beam Sex Catalog." Plaintiff has also submitted expert testimony in affidavit form verifying this conclusion of the survey.

Relying on *Warner Bros. Inc. v. American Broadcasting Cos., Inc.*, 720 F.2d 231, 245 (2nd Cir. 1983), Defendants argue that the Court shall decide as a matter of law that its

allegedly infringing use of the trademark is not confusingly similar and that once such a determination has been made the conclusion should not be altered by survey evidence. The Court cannot agree. *Warner Bros.* was a copyright case in which similarity or copying was the primary issue. As the Court of Appeals for the First Circuit stated in *Pignons,* however, "[c]onfusion over the nature of the parties' business relationship may be as objectionable for purposes of trademark infringement as is confusion between their goods." *Pignons,* 657 F.2d at 490. Surveys seem a particularly apt manner of assessing this aspect of a *trademark* infringement claim.

[2] Defendants also suggest in their reply memorandum that the survey is flawed in its methodology. They argue, for example, that the survey did not necessarily reflect confusion in the minds of any relevant consumers, namely Bean customers or prospective customers. Bean's submissions indicate, however, that their customers fall, in varying percentages, into all economic groups and that over 25% of all households in the United States receive a Christmas mailing from them. It appears to the Court that a shopping mall intercept would have some overlap with Bean's prospective customers since Plaintiff avowedly is trying to expand its market from its already large base. Moreover, with the O'Reilly affidavit, Plaintiff has provided support for the survey's methodology and results. Defendants have not yet presented anything substantive attacking the approval of the study and the Court is unprepared to find the study inadmissible on the basis of Defendants' vague suggestions. Therefore, viewing the evidence in the light most favorable to the nonmoving party, the Court finds that Plaintiff has shown some evidence of actual confusion.

In considering some of the other factors mentioned in *Pignons,* the Court notes that Plaintiff has submitted affidavit evidence indicating that its trademarks are very strong and valuable. Defendants' intent in imitating the mark appears,

from the description of the sex catalog in the magazine's table of contents, to be an intent to parody or satirize. Plaintiff disputes this characterization of Defendant's intent, pointing to certain testimony of Drake's employees. It is not necessary to examine the other factors to see that there exist genuine issues of material fact on the issue of likelihood of confusion, an essential element of any trademark infringement claim. These issues must be resolved at trial. Thus, both parties' motions for summary judgment on Count II must be denied.

Count III

Count III of the Complaint seeks relief under section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), which provides:

> Any person who shall . . . use in connection with any goods or services, or any container or containers for goods, a false designation of origin, or any false description or representation, including words or symbols tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce, . . . shall be liable to a civil action . . . by any person who believes that he is or is likely to be damaged by the use of any such false description or representation.

Defendants argue that in the First Circuit two essential elements of a section 43(a) claim are competition between the parties and likelihood of confusion by the alleged infringer's use of the owner's mark. Defendants cite *Keebler Co. v. Rovira Biscuit Corp.*, 624 F.2d 366 (1st Cir. 1980), as establishing that the parties must be competitors for plaintiff to state a claim under section 43(a). In *Rovira* the Court of Appeals stated that section 43(a) "creates a federal law of unfair competition by providing a statutory remedy to a party aggrieved by a competitor's 'false designation of origin' of his product even though he does not have a federally registered trademark." *Id.* at 372.

[3, 4] The Court does not construe the First Circuit's words in *Rovira* as creating a requirement that the parties be in direct competition. In the more recent case of *Purolator, Inc. v. EFRA Distributors, Inc.*, 687 F.2d 554, 561 (1st Cir. 1982), the Court elaborated on the remedy provided by section 43(a):

> It is designed to reach, among other things, attempts to appropriate the goodwill associated with a competitor's trademark by means of confusingly similar marking and packaging, which would create the impression that the products of the defendant originated with the plaintiff. Again, a showing that the marks or packaging of defendant's create a likelihood of confusion with the products of the plaintiff will be a key to establishing a claim of false designation of origin.

The protection of goodwill afforded by section 43(a) extends to "any person damaged by the use of any such false description or representation." 15 U.S.C. § 1125(a); *Pignons*, 657 F.2d at 493. Persons can be damaged by appropriation of their trademarks and the goodwill associated therewith whether or not they are in direct competition with the alleged infringer. The broad language of the statute, providing a remedy to "any person" appears to recognize this and other courts have so held in cases similar to this one. *See, e.g., Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 476 F.Supp. 366, 374 (S.D.N.Y. 1979); *aff'd* 604 F.2d 200 (2d Cir. 1979); *St. Charles Mfg. Co. v. St. Charles Furniture Corp.*, 482 F.Supp. 397 (N.D. Ill. 1979). The Court finds, therefore, that direct competition is not a necessary element for a claim brought under section 43(a). It is enough to state a claim in this case that Plaintiff advertises in magazines and Defendant is a magazine displaying its colorable imitation of Plaintiff's marks

in the format of a magazine advertisement.[1] Since a genuine issue of material fact exists on the element of likelihood of confusion, summary judgment is inappropriate for either party on Count III.

Count IV

Count IV sets forth a claim for unfair competition under the common law. Defendants assert that they are entitled to summary judgment because likelihood of confusion is an essential element of such an action. The Court has already determined that a genuine question of fact exists on that issue.

Count V

[5] The complaint also alleges a violation of Maine's Deceptive Trade Practices Act, 10 M.R.S.A. § 1212. The Court

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[1] The Court in *Coca Cola Co. v. Gemini Rising, Inc.*, 346 F.Supp. 1183 (E.D.N.Y. 1972) aptly discussed the relevance of competition in an action brought under § 1114(a) of the Lanham Act:

> Admittedly the parties are not in competition in the ordinary sense. "But recognition . . . that [defendant is] not making infringing sales of a kind of goods that plaintiff sells under a trade mark, does not end the matter." *Hobart Manufacturing Company v. Kitchen Aid Service, Inc.*, 260 F.Supp. 559, 561 (E.D.N.Y. 1966). Here there is no question that both are seeking to attract public attention and patronage for their respective products by the graphic display of a distinctive and widely known trademark. That trademark belongs to and is uniquely identified with plaintiff and its products. Plaintiff's property right in its mark clearly extends to its reproduction and publication in advertising and for other promotional uses regarding its products. In this case defendant's product — a simulated bill poster — is itself one of the common forms of advertising utilized by plaintiff.

Similarly, in this case the record shows that Plaintiff advertises in magazines and Defendants' Sex Catalog is in the format of a magazine advertisement.

agrees with the Defendants that likelihood of confusion must be proved before violation of that statute can be established. Because a genuine issue of material fact remains on the issue of likelihood of confusion, summary judgment is inappropriate.

Count I

Count I seeks relief under the Maine trademark dilution statute, 10 M.R.S.A. § 1530. That statute provides:

> Likelihood of injury to business reputation or of dilution of the distinctive quality of a mark registered under this chapter . . . shall be a ground for injunctive relief notwithstanding the absence of competition between the parties or the absence of confusion as to the source of the goods or services.

This statute has not been recently construed by the Law Court. The Court of Appeals for the First Circuit construed an identical Massachusetts statute in *Pignons*. The Court stated that for a plaintiff to sustain an action under the statute, it must show that its mark is distinctive and that defendant's use of a similar mark has created the likelihood of dilution. *Pignons*, 657 F.2d at 483, 494. Plaintiff has submitted undisputed evidence that its mark is distinctive and strong.

The Court in *Pignons* pointed out, and Defendants have acknowledged, that there are generally three interpretations given to the term trademark dilution. One refers to the injury to the mark caused by actual or potential consumer confusion. *Pignons*, 657 F.2d at 494. As has been discussed previously, there remains a genuine issue of fact on this issue; thus summary judgment is inappropriate on this theory.

[6] Trademark dilution also has been defined as use of a mark by defendant in a way that detracts from, draws on or

otherwise appropriates the goodwill and reputation associated with the plaintiff's mark. *Id.* Defendants argue that the statute cannot reasonably be construed to encompass literary satires and that the L.L. Beam catalog was intended solely as such a satire. For this proposition, Defendants rely on *Tetley, Inc. v. Topps Chewing Gum, Inc.*, 556 F.Supp. 785 (E.D.N.Y. 1983), in which the plaintiff sought relief under New York's antidilution statute, *inter alia,* for defendant's inclusion in its Wacky Package of a child's sticker in the form of a Tetley Tea box, bearing the mark Petley Flea Bags. The Court in *Tetley* denied the injunction, stating that plaintiff had offered no proof that its mark was truly distinctive or that anyone would reach the conclusion that the parody would result in images of impurity in the minds of its customers. Such connotations would obviously tarnish the affirmative associations the mark had come to convey. *Tetley,* 556 F.Supp. at 794. Plaintiff's failure to present evidence on the critical issues permitted the court to find that "the broad humor defendant employs serves to prevent the type of blurring which might result from a more subtle or insidious effort at humor at plaintiff's expense." *Id.* at 794. It is clear that parody *per se* is not protected from injunction under the antidilution statute. Evidence of the effect of the attempted parody is critical.

[7] In this case, Plaintiff has presented evidence of the likelihood its mark will be tarnished by the L.L. Beam Sex Catalog. The affidavit of Richard T. O'Reilly, a consultant to corporations and advertising agencies on marketing and advertising, states:

> 9 . . . .
> The image of L.L. Bean is clean, wholesome, and outdoorsy in contrast to *High Society* magazine and the use of L.L. Bea*m* in the magazine. In my opinion, *High Society* used the name because of the high quality image

of the L.L. Bean name and used the lookalike association to make the Sex Catalog more attention-getting.

10. The coarse and tawdry products shown in the Six [sic] Catalog, which many of survey respondents (including a significant number that were not confused) associated with L.L. Bean is totally opposite to the high quality image which L.L. Bean seeks to maintain. The magazine as a whole conveys a message of coarseness and baseness which is opposite to L.L. Bean's image. . . .

11. In my experience, the trademarks "L.L. Bean" and "Bean's" are among the best known and highly regarded trademarks in the retail field. . . . *Any* negative association with L.L. Bean is significant, for which the company would necessarily and justifiably have deep concern, because it is essential to maintain the high quality, strongly favorable image the name possesses with the public.

12. It is my opinion, based on forty years of experience in the marketing and advertising of consumer products, that L.L. Bean's trademark and name has been damaged, through the publication of the L.L. Bea*m* Sex Catalog by *High Society* magazine.

. . . .

Plaintiff also has submitted the affidavit of Seth M. Siegel, vice president of a New York trademark licensing company. In paragraph 10 of the affidavit, Siegel states:

> Adverse associations, such as that between L.L. Bean and *High Society* magazine endanger the integrity and strength of the mark. An authorized use by *High Society* would create a different market awareness of L.L. Bean from that which it has developed and maintained in the past.

These factual assertions by Plaintiff remain undisputed by Defendants. In *Tiffany and Co. v. Boston Club, Inc.*, 231 F.Supp. 836 (D. Mass. 1964), the court granted an injunction under the Massachusetts antidilution statute where the evidence showed that the name Tiffany was associated with quality and defendants had used the name Tiffany's in conjunction with a radio program which was "really terrible," "boring" and "stunk." *Id.* at 844. The court stated that "the program presented graphic evidence of the risks of tarnishment to which a party in the position of plaintiff is exposed if his valuable trade name is put beyond his own control and subjected to the vagaries of stranger's business." *Id.* It is clear, then, that Plaintiff has made out a case for the injunctive relief provided by Maine's antidilution statute, 10 M.R.S.A. § 1530.

[8] Defendants contend, however, that any such injunctive relief would violate their first amendment rights. That argument was thoroughly addressed in *Dallas Cowboy Cheerleaders*, where the court affirmed the granting of a preliminary injunction against the showing of a movie depicting actresses in uniforms like plaintiffs' performing a variety of sexual acts:

> Plaintiff's trademark is in the nature of a property right, . . . and as such it need not "yield to the exercise of First Amendment rights under circumstances where adequate alternative avenues of communication exist." *Lloyd Corp. v. Tanner*, 407 U.S. 551 [92 S.Ct. 2219, 33 L.Ed.2d 131] . . . (1972). Because there are numerous ways in which defendants may comment on "sexuality in athletics" without infringing plaintiff's trademark, the district court had not encroached upon their first amendment rights in granting a preliminary injunction. . . .
>
> For similar reasons, the preliminary injunction did not constitute an unconstitutional "prior restraint." This is not a case of government censorship, but a private plaintiff's

> attempt to protect its property rights. The propriety of a preliminary injunction where such relief is sought is so clear that courts have often issued an injunction without even mentioning the first amendment. . . . The prohibition of the Lanham Act is content neutral . . . , and therefore does not arouse the fears that trigger the application of constitutional "prior restraint" principles.

Dallas Cowboy Cheerleaders, Inc., 604 F.2d at 206 (citations omitted).

Similarly, the Constitution would not be offended by the grant of an injunction to prevent trademark dilution. As the court stated in *Sykes Laboratory, Inc. v. Kalvin*, 610 F.Supp. 849, 859 (C.D. Cal. 1985):

> The state has a strong interest in protecting distinctive trademarks from harmful uses by business competition, even in the absence of confusion. . . . If injunctive relief were not available to prevent dilution of a trademark "then any unauthorized reproduction of a trademark or mark would be without remedy." *Coca Cola Co.*, 346 F.Supp. 1183 (E.D.N.Y. 1972).

The Court will, therefore, issue an appropriate injunction on Plaintiff's antidilution claim.

Count VI

In Count VI Plaintiff seeks relief for Defendants' alleged interference with Plaintiff's prospective business advantage. In light of the Law Court's recent decision in *DiPietro v. Casco Northern Bank*, 490 A.2d 215 (Me. 1985), Plaintiff does not oppose Defendants' motion for summary judgment on this count. Having examined *DiPietro*, the Court is satisfied

that Defendants are entitled to summary judgment as a matter of law. In that case the Law Court indicated that any extension of decisional law concerning the tort of interference would likely include the element of fraud or intimidation. Plaintiff in this case has alleged neither.

Count VII

[9] In Count VII Plaintiff seeks relief for trade libel, alleging that Defendants' publication of the sex catalog has caused Plaintiff to be scorned and ridiculed by virtue of its wrongful association with Defendants' magazine. In its brief, Plaintiff argues that it "is entitled to compensation when its goodwill and trade names have been, through no fault of its own, exposed to unseemly associations." Plaintiff's memorandum at 39-40. As support for this assertion, Plaintiff relies primarily on *Big O Tire Dealers, Inc. v. Goodyear Tire & Rubber Co.*, 408 F.Supp. 1219 (D. Colo. 1976). In *Big O*, the Court discussed the extension of defamation law to the protection of property interests such as trademarks and goodwill:

> Initially recovery was limited to falsehoods injurious to the ownership of land. More recently recovery was recognized for any injury to personal property and to any interference with the plaintiff's business resulting in some form of customer diversion. The word "disparagement" has been used to describe these various kinds of interference with commercial or economic relations through injurious falsehood.

Id. at 1234.

Since Plaintiff's claim for trade libel is essentially the same as a claim for tortious interference with commercial or economic relations, *id.*, *see also* W. Prosser, *The Law of Torts*

at 915-16 (1971), Count VII fails to state a claim. Although Plaintiff cites *Tillson v. Robbins*, 68 Me. 295 (1878), a Maine case discussing defamation of a person in his business, it is clear from its submission that it is in fact alleging injury to its trademarks and goodwill. As Prosser states in his discussion of the tort which he terms injurious falsehood: "Because of its ancient, left handed association with defamation, the kind of interference by falsehoods which are not personally defamatory, and yet cause pecuniary loss, has for some centuries been regarded as a more or less distinct tort in itself." Prosser, at 915. As was stated previously, and as Plaintiff apparently conceded, it has not alleged the requisite elements of the tort of interference under Maine law. *DiPietro v. Casco Northern Bank*, 490 A.2d 215.[2]

Accordingly, it is ORDERED that Plaintiff's and Defendants' cross-motions for summary judgment be, and they are hereby, DENIED on Counts II, III, IV and V. Defendants' motion for summary judgment on Counts VI and VII is GRANTED, and Counts VI and VII are hereby DISMISSED. Finally, Plaintiff's motion for summary judgment on Count I is GRANTED. Defendant is enjoined under 10 M.R.S.A. § 1530 from again publishing the "L.L. Beam Sex Catalog," or further distributing the "L.L. Beam Sex Catalog" contained in the October 1984 issue of *High Society* magazine or making any other use of facsimiles of L.L. Bean's trademarks.

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[2] An element of malice, similar to the fraud or intimidation element in Maine, is required to make out the tort of disparagement or trade libel discussed in *Big O*. *See Big-O*, 561 F.2d 1365 (10th Cir. 1977).

L.L. BEAN, INC., Plaintiff, Appellee,
v.
DRAKE PUBLISHERS, INC., et al.,
Defendants, Appellants.

No. 86-1202, No. 86-1203.

United States Court of Appeals,
First Circuit.

Argued Sept. 12, 1986.

Decided Feb. 10, 1987.

As Amended Feb. 12, 1987.

Before CAMPBELL, Chief Judge,
COFFIN and BOWNES, Circuit Judges.

BOWNES, Circuit Judge.

Imitation may be the highest form of flattery, but plaintiff-appellee L.L. Bean, Inc., was neither flattered nor amused when *High Society* magazine published a prurient parody of Bean's famous catalog. Defendant-appellant Drake Publishers, Inc., owns *High Society,* a monthly periodical featuring adult erotic entertainment. Its October 1984 issue contained a two-page article entitled "L.L. Bea*m*'s Back-To-School-Sex-Catalog." (Emphasis added.) The article was labelled on the magazine's contents page as "humor" and "parody." The article displayed a facsimile of Bean's trademark and featured pictures of nude models in sexually explicit positions using "products" that were described in a crudely humorous fashion.

L.L. Bean sought a temporary restraining order to remove the October 1984 issue from circulation. The complaint alleged trademark infringement, unfair competition, trademark dilution, deceptive trade practices, interference with prospective

business advantage and trade libel. The United States District Court for the District of Maine denied Bean's request for a temporary restraining order. Thereafter, both parties sought summary judgment. The district court granted summary judgment in favor of Drake on the claims for trade libel and interference with prospective business advantage. It denied summary judgment to both parties on Bean's claims for trademark infringement, unfair competition and deceptive trade practices, leaving the factual question of "likelihood of confusion" for resolution at trial. *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 625 F.Supp. 1531 (D. Me. 1986).

The district court did, however, grant Bean summary judgment with respect to the trademark dilution claim raised under Maine law. Me.Rev.Stat.Ann. tit. 10, § 1530 (1981).[1] It ruled that the article had tarnished Bean's trademark by undermining the goodwill and reputation associated with the mark. Relying on two affidavits presented by appellee, the district court found that Bean had suffered harm from the publication of the article. The court rejected Drake's claim that the Maine statute did not encompass allegations of tarnishment caused by parody. The court also held that enjoining the publication of a parody to prevent trademark dilution did not offend the first amendment. An injunction issued prohibiting further publication or distribution of the "L.L. Beam Sex Catalog," *L.L. Bean v. Drake Publishers*, 625 F.Supp. at 1530. After its motion for reconsideration was denied, Drake appealed the order enjoining further publication of the Sex Catalog.

Since there are no Maine cases delineating the scope of the Maine anti-dilution statute, we do not, at this time, review the

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[1] Maine's anti-dilution statute provides:

> Likelihood of injury to business reputation or of dilution of a mark registered under this chapter . . . shall be a ground for injunctive relief notwithstanding the absence of competition between the parties or the absence of confusion as to the source of the goods or services.

district court's ruling on the reach of the statute. Because we think it would be inappropriate for us to construe the statute in the first instance, we shall confine our review to whether the injunction offends the first amendment.

In reviewing an appeal from an entry of summary judgment, the record must be viewed in the light most favorable to the party opposing the motion. *King v. Williams Industries, Inc.*, 724 F.2d 240, 241 (1st Cir.), *cert. denied*, 466 U.S. 980, 104 S.Ct. 2363, 80 L.Ed.2d 835 (1984); *Hahn v. Sargent*, 523 F.2d 461, 464 (1st Cir. 1975), *cert. denied*, 425 U.S. 904, 96 S.Ct. 1495, 47 L.Ed.2d 754 (1976). Where, as here, both parties have moved for summary judgment, a court separately evaluates the two motions, in each instance drawing factual inferences most favorable to the opposing party. 10A C. Wright, A Miller & M.K. Kane, *Federal Practice and Procedure* § 2720, at 23-24 (2d ed. 1983). Since the district court rejected defendant's position that a trademark parody constituted a defense to a claim based on the anti-dilution statute, we assume, as we must for purposes of this appeal, that the article is a trademark parody.

I.

Parody is a humorous form of social commentary and literary criticism that dates back as far as Greek antiquity. "The rhapsodists who strolled from town to town to chant the poems of Homer," wrote Isaac D'Israeli "were immediately followed by another set of strollers — buffoons who made the audiences merry by the burlesque turn which they gave to the solemn strains." I. D'Israeli, *Curiosities of Literature, quoted in* D. MacDonald, *Parodies: An Anthology from Chaucer to Beerbohm — and After* 562 (1960). The Oxford English Dictionary defines parody as "[a] composition in which the characteristic turns of thought and phrase of an author are mimicked to appear

ridiculous, especially by applying them to ludicrously inappropriate subjects." Chaucer, Shakespeare, Pope, Voltaire, Fielding, Hemingway and Faulkner are among the myriad of authors who have written parodies. Since parody seeks to ridicule sacred verities and prevailing mores, it inevitably offends others, as evinced by the shock which Chaucer's *Canterbury Tales* and Voltaire's *Candide* provoked among their contemporaries.

A trademark is a word, name or symbol adopted and used by a manufacturer or merchant to identify goods and distinguish them from those manufactured by others. 15 U.S.C. § 1127 (1985 Supp.). One need only open a magazine or turn on television to witness the pervasive influence of trademarks in advertising and commerce. Designer labels appear on goods ranging from handbags to chocolates to every possible form of clothing. Commercial advertising slogans, which can be registered as trademarks, have become part of national political campaigns. "Thus, trademarks have become a natural target of satirists who seek to comment on this integral part of the national culture." Dorsen, *Satiric Appropriation and the Law of Libel, Trademark and Copyright: Remedies Without Wrongs,* 65 B.U.L.Rev. 923, 939 (1986); Note, *Trademark Parody: A Fair Use and First Amendment Analysis,* 72 Va. L. Rev. 1079 (1986).

The ridicule conveyed by parody inevitably conflicts with one of the underlying purposes of the Maine anti-dilution statute, which is to protect against the tarnishment of the goodwill and reputation associated with a particular trademark. *Pignons, S.A. de Mecanique de Precision v. Polaroid Corp.*, 657 F.2d 482, 494-95 (1st Cir. 1981). The court below invoked this purpose as the basis for its decision to issue an injunction. The issue before us is whether enjoining the publication of appellant's parody violates the first amendment guarantees of freedom of expression.

II.

The district court disposed of the first amendment concerns raised in this matter by relying on the approach taken in *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200 (2d Cir. 1979). In rejecting Drake's claim that the first amendment protects the unauthorized use of another's trademark in the process of conveying a message, the district court cited the following language from *Dallas Cowboys Cheerleaders*:

> "Plaintiff's trademark is in the nature of a property right, . . . and as such it need not 'yield to the exercise of First Amendment rights under circumstances where adequate alternative avenues of communication exist.' *Lloyd Corp. v. Tanner*, 407 U.S. 551 [92 S.Ct. 2219, 33 L.Ed.2d 131] (1972)."

L.L. Bean v. Drake, 625 F.Supp. at 1537 (quoting *Dallas Cowboys Cheerleaders*, 604 F.2d at 206).

We do not believe that the first amendment concerns raised here can be resolved as easily as was done in *Dallas Cowboys Cheerleaders*. *Cf.* Dorsen, *Satiric Appropriation*, 65 B.U.L. Rev. at 951; Denicola, *Trademarks As Speech: Constitutional Implications of the Emerging Rationales for the Protection of Trade Symbols*, 1982 Wis.L.Rev. 158, 206 ("the sweeping rejection of the defendant's first amendment claim in *Dallas Cowboys Cheerleaders* is dangerously simplistic."). Aside from our doubts about whether there are alternative means of parodying plaintiff's catalog, we do not think the court fully assessed the nature of a trademark owner's property rights. A trademark is a form of intellectual property; the Supreme Court case, *Lloyd Corp. v. Tanner*, 407 U.S. 551, 92 S.Ct. 2219, 33 L.Ed.2d 131 (1972), relied upon by the *Dallas Cowboys*

Cheerleaders court involved a shopping center. The first amendment issues involved in this case cannot be disposed of by equating the rights of a trademark owner with the rights of an owner of real property:

> [T]*rademark is not property in the ordinary sense* but only a word or symbol indicating the origin of a commercial product. The owner of the mark acquires the right to prevent the goods to which the mark is applied from being confused with those of others and to prevent his own trade from being diverted to competitors through their use of misleading marks.

Power Test Petroleum Distributors v. Calcu Gas, 754 F.2d 91, 97 (2d Cir. 1985) (emphasis added) (quoting *Industrial Rayon Corp. v. Dutchess Underwear Corp.*, 92 F.2d 33, 35 (2d Cir. 1937), *cert. denied,* 303 U.S. 640, 58 S.Ct. 610, 82 L.Ed. 1100 (1938)). *Accord Dresser Industries, Inc. v. Heraeus Engelhard Vacuum, Inc.*, 395 F.2d 457 (3d Cir.), *cert. denied,* 393 U.S. 934, 89 S.Ct. 293, 21 L.Ed.2d 270 (1968); *Lucasfilm Ltd. v. High Frontier,* 622 F.Supp. 931 (D.D.C. 1985).

The limits on the scope of a trademark owner's property rights was considered recently in *Lucasfilm Ltd. v. High Frontier, supra.* In that case, the owners of the trademark "Star Wars" alleged injury from public interest groups that used the term in commercial advertisements presenting their views on President Reagan's Strategic Defense Initiative. Judge Gesell stressed that the sweep of a trademark owner's rights extends only to injurious, unauthorized *commercial uses* of the mark by another. 622 F.Supp. at 933-35. Trademark rights do not entitle the owner to quash an unauthorized use of the mark by another who is communicating ideas or expressing points of view. *Id.* As Justice Holmes observed while sitting on the Su-

preme Judicial Court of Massachusetts, "When the common law developed the doctrine of trademarks and trade-names, it was not creating a property in advertisements more absolute than it would have allowed the author of *Paradise Lost*." *Chadwick v. Covell,* 151 Mass. 190, 193, 23 N.E.1068, 1069 (1890).

The limits imposed on a trademark owner's property rights demonstrate that the constitutional issue raised here cannot be dispensed with by simply asserting that Bean's property right need not yield to the exercise of first amendment rights. *L.L. Bean v. Drake,* 625 F.Supp. at 1537. We turn now to an examination of whether the Constitution prohibits the application of Maine's anti-dilution statute as construed by the district court to the instant case.

III.

The concept of trademark dilution originated in England when a British court protected the trademark "Kodak" from being used on bicycles. Derenberg, *The Problem of Trademark Dilution and Anti-Dilution Statutes,* 44 Calif.L.Rev. 439 (1956). Anti-dilution statutes have developed to fill a void left by the failure of trademark infringement law to curb the unauthorized use of marks where there is no likelihood of confusion between the original use and the infringing use. The law of trademark dilution aims to protect the distinctive quality of a trademark from deterioration caused by its use on dissimilar products. *Pro-phy-lac-tic Brush Co. v. Jordan Marsh,* 165 F.2d 549, 553 (1st Cir. 1948); *Community Federal Sav. and Loan Ass'n v. Orondorff,* 678 F.2d 1034 (11th Cir. 1982); *BiRite Enterprises, Inc. v. Button Master,* 555 F.Supp. 1188, 1196 (S.D.N.Y. 1983); 2 J.T. McCarthy, *Trademarks and Unfair Competition* § 24.13 (1973). The dilution injury "is the

gradual whittling away or dispersion of the identity and hold upon the public mind of the mark or name by its use on non-competing goods." Schechter, *The Rational Basis of Trademark Protection*, 40 Harv.L.Rev. 813, 825 (1927). The overriding purpose of anti-dilution statutes is to prohibit a merchant of noncompetitive goods from selling its products by trading the goodwill and reputation of another's mark.

[1] A trademark owner may obtain relief under an anti-dilution statute if his mark is distinctive and there is a likelihood of dilution due to (1) injury to the value of the mark caused by actual or potential confusion, (2) diminution in the uniqueness and individuality of the mark, or (3) injury resulting from use of the mark in a manner that tarnishes or appropriates the goodwill and reputation associated with plaintiff's mark. *Astra Pharmaceutical Prod. v. Beckman Instruments*, 718 F.2d 1201, 1209 (1st Cir. 1983); *Pignons, S.A. de Mecanique de Precision v. Polaroid Corp.*, 657 F.2d at 494-95. There is no dispute that Bean's mark is distinctive. The basis for the district court's injunction was that Bean's trademark had been tarnished by the parody in defendant's magazine. We think this was a constitutionally impermissible application of the anti-dilution statute.

[2] The district court believed that if a noncommercial parody "would result in images of impurity in the minds of [consumers] . . . [s]uch connotations would obviously tarnish the affirmative associations the mark had come to convey." *L.L. Bean v. Drake Publishers*, 625 F.Supp. at 1536. It thus read the anti-dilution statute as granting a trademark owner the unfettered right to suppress the use of its name in any context, commercial or noncommercial, found to be offensive, negative or unwholesome.[2] As one commentator has pointed out, there

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[2] The enforcement of such a right would entail state action. Note, *Trademark Parody*, 72 Va. L. Rev. at 1110; Denicola, *Trademarks As Speech*, 1982

are serious first amendment implications involved in applying anti-dilution statutes to cover noncommercial uses of a trademark:

> Famous trademarks offer a particularly powerful means of conjuring up the image of their owners, and thus become an important, perhaps at times indispensable, part of the public vocabulary. Rules restricting the use of well-known trademarks may therefore restrict the communication of ideas. . . . If the defendant's speech is particularly unflattering, it is also possible to argue that the trademark has been tarnished by the defendant's use. The constitutional implications of extending the misappropriation or tarnishment rationales to such cases, however, may often be intolerable. Since a trademark may frequently be the most effective means of focusing attention on the trademark owner or its product, the recognition of exclusive rights encompassing such use would permit the stifling of unwelcome discussion.

Wis. L. Rev. at 190 n.146; *but see Reddy Communications, Inc. v. Environmental Action Foundation*, 199 U.S.P.Q. (BNA) 630, 633-34 (D.D.C.1977). When judicial enforcement of private personal rights touching forms of communication restricts freedom of speech, state action is implicated. *New York Times v. Sullivan*, 376 U.S. 254, 265, 84 S.Ct. 710, 718, 11 L.Ed.2d 686 (1964). Nor does the state action doctrine limit the application of the first amendment when enforcement of intangible property rights would curtail communicative freedoms. *Zacchini v. Scripps-Howard Broadcasting*, 433 U.S. 562, 97 S.Ct. 2849, 53 L.Ed.2d 965 (1977). In *Zacchini*, the performer of a "human cannonball" act claimed that his right of publicity had been appropriated by a media defendant that had broadcast his entire fifteen-second performance. The Court characterized plaintiff's right of publicity as "professional property." *Id.* at 569, 97 S.Ct. at 2854. Although the Court held that defendant was not privileged to broadcast plaintiff's *entire* act, it recognized that private enforcement of intangible property rights implicates first amendment concerns: "Wherever the line in particular situations is to be drawn between media reports that are protected and those that are not, we are quite sure that the First and Fourteenth Amendments do not immunize the media when they broadcast a performer's entire act without his consent." *Id.* at 574-75, 97 S.Ct. at 2856-57.

Denicola, *Trademarks As Speech*, 1982 Wis. L. Rev. at 195-96.

[3, 4] The district court's opinion suggests that tarnishment may be found when a trademark is used without authorization in a context which diminishes the positive associations with the mark. Neither the strictures of the first amendment nor the history and theory of anti-dilution law permit a finding of tarnishment based solely on the presence of an unwholesome or negative context in which a trademark is used without authorization. Such a reading of the anti-dilution statute unhinges it from its origins in the marketplace. A trademark is tarnished when consumer capacity to associate it with the appropriate products or services has been diminished. The threat of tarnishment arises when the goodwill and reputation of a plaintiff's trademark is linked to products which are of shoddy quality or which conjure associations that clash with the associations generated by the owner's lawful use of the mark:

> [T]he risk may be that of detracting from the plaintiff's good will by the possibility that a defendant's use of plaintiff's unique mark will tarnish plaintiff's trade name by reason of public dissatisfaction with defendant's *product* and a resultant holding of this dissatisfaction against plaintiff.
>
> An alternative to this . . . risk is the danger of public identification of plaintiff's trade name or mark with a *product or service* of a type incompatible with the quality and prestige previously attached by the public to the plaintiff's product.

Tiffany & Co. v. Boston Club, Inc., 231 F.Supp. 836, 844 (D. Mass. 1964) (emphasis added).

[5] As indicated by Judge Caffrey in *Tiffany*, the dilution injury stems from an unauthorized effort to market incom-

patible products or services by trading on another's trademark. The Constitution is not offended when the anti-dilution statute is applied to prevent a defendant from using a trademark without permission in order to merchandise dissimilar products or services. Any residual effect on first amendment freedoms should be balanced against the need to fulfill the legitimate purpose of the anti-dilution statute. *See Friedman v. Rogers*, 440 U.S. 1, 15-16, 99 S.Ct. 887, 896-897, 59 L.Ed.2d 100 (1979). The law of trademark dilution has developed to combat an unauthorized and harmful appropriation of a trademark by another for the purpose of identifying, manufacturing, merchandising or promoting dissimilar products or services. The harm occurs when a trademark's identity and integrity — its capacity to command respect in the market — is undermined due to its inappropriate and unauthorized use by other market actors. When presented with such circumstances, courts have found that trademark owners have suffered harm despite the fact that redressing such harm entailed some residual impact on the rights of expression of commercial actors. *See, e.g., Dallas Cowboys Cheerleaders v. Pussycat Cinema, Ltd.*, 604 F.2d 200 (plaintiff's mark damaged by unauthorized use in content and promotion of a pornographic film); *Chemical Corp. of America v. Anheuser-Busch, Inc.*, 306 F.2d 433 (5th Cir. 1962), *cert. denied*, 372 U.S. 965, 83 S.Ct. 1089, 10 L.Ed.2d 129 (1963) (floor wax and insecticide maker's slogan, "Where there's life, there's bugs," harmed strength of defendant's slogan, "Where there's life, there's Bud."); *Original Appalachian Artworks Inc.* v. *Topps Chewing Gum*, 642 F.Supp. 1031 (N.D. Ga. 1986) (merchandiser of "Garbage Pail Kids" stickers and products injured owner of Cabbage Patch Kids mark); *D.C. Comics, Inc. v. Unlimited Monkey Business*, 598 F.Supp. 110 (N.D. Ga. 1984) (holder of Superman and Wonder Woman trademarks damaged by unauthorized use of marks by singing telegram franchisor); *General Electric Co. v. Alumpa Coal*

Co., 205 U.S.P.Q. (BNA) 1036 (D. Mass. 1979) ("Genital Electric" monogram on underpants and T-shirts harmful to plaintiff's trademark); *Gucci Shops, Inc. v. R.H. Macy & Co.*, 446 F.Supp. 838 (S.D.N.Y. 1977) (defendant's diaper bag labelled "Gucchi Goo" held to injure Gucci's mark); *Coca-Cola Co. v. Gemini Rising, Inc.*, 346 F.Supp. 1183 (E.D.N.Y. 1972) (enjoining the merchandise of "Enjoy Cocaine" posters bearing logo similar to plaintiff's mark).

[6] While the cases cited above might appear at first glance to be factually analogous to the instant one, they are distinguishable for two reasons. First, they all involved unauthorized commercial uses of another's trademark. Second, none of those cases involved a defendant using a plaintiff's trademark as a vehicle for an editorial or artistic parody. In contrast to the cases cited, the instant defendant used plaintiff's mark solely for noncommercial purposes. Appellant's parody constitutes an editorial or artistic, rather than a commercial, use of plaintiff's mark. The article was labelled as "humor" and "parody" in the magazine's table of contents section; it took up two pages in a one-hundred-page issue; neither the article nor appellant's trademark was featured on the front or back cover of the magazine. Drake did not use Bean's mark to identify or promote goods or services to consumers; it never intended to market the "products" displayed in the parody.[3]

We think the Constitution tolerates an incidental impact on rights of expression of commercial actors in order to prevent a

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[3] The issue of whether consumers were likely to believe that the "products" would be marketed is a factual issue that is not relevant to this appeal. The trial court denied summary judgment on all claims that depend upon the resolution of the issue of "likelihood of confusion" and our holding does not encompass that issue. We note that a parody which engenders consumer confusion would be entitled to less protection than is granted by our decision today. *See*, Note *Trademark Parody*, 72 Va. L. Rev. at 1112. A parody which causes confusion in the marketplace implicates the legitimate commercial and consumer protection objectives of trademark law.

defendant from unauthorizedly merchandising his products with another's trademark.[4] In such circumstances, application of the anti-dilution statute constitutes a legitimate regulation of commercial speech, which the Supreme Court has defined as "expression related solely to the economic interests of the speaker and its audience." *Central Hudson Gas & Elec. v. Public Serv. Comm'n*, 447 U.S. 557, 561, 100 S.Ct. 2343, 2348, 65 L.Ed.2d 341 (1980). It offends the Constitution, however, to invoke the anti-dilution statute as a basis for enjoining the noncommercial use of a trademark by a defendant engaged in a protected form of expression:

> [T]he failure to distinguish between commercial and noncommercial speech "could invite dilution, simply by a leveling process, of the force of the" First "Amendment's guarantee with respect to the latter kind of speech."

Id. at 563 n.5, 100 S.Ct. at 2350 n.5 (quoting *Ohralik v. Ohio State Bar Ass'n*, 436 U.S. 447, 456, 98 S.Ct. 1912, 1918, 56 L.Ed.2d 444 (1978)).

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[4] We have no occasion to consider the constitutional limits which might be imposed on the application of anti-dilution statutes to unauthorized uses of trademarks on products whose principal purpose is to convey a message. *Mutual of Omaha Ins. Co. v. Novak*, 775 F.2d 247 (8th Cir. 1985) (plaintiff entitled to preliminary injunction against activist protesting nuclear weapons proliferation by marketing "Mutant of Omaha" T-shirts). Such a situation undoubtedly would require a balancing of the harm suffered by the trademark owner against the benefit derived by the parodist and the public from the unauthorized use of a trademark on a product designed to convey a message. *See* Note, *Trademark Parody*, 72 Va. L. Rev. at 1112-16. Courts that have declined to enjoin unauthorized uses of trademarks that expressly employ parody have engaged in such balancing. *See Tetley, Inc.* v. *Topps Chewing Gum, Inc.*, 556 F.Supp. 785 (E.D.N.Y. 1983) (defendant's marketing of stickers parodying various products did not dilute plaintiff's mark); *Girl Scouts of U.S.A. v. Personality Posters Mfg. Co.*, 304 F.Supp. 1228 (S.D.N.Y. 1969) (rejecting plaintiff's claim of dilution caused by defendant's distribution of posters depicting a pregnant girl in a Girl Scout uniform along with a caption bearing the Girl Scout motto, "Be Prepared").

If the anti-dilution statute were construed as permitting a trademark owner to enjoin the use of his mark in a noncommercial context found to be negative or offensive, then a corporation could shield itself from criticism by forbidding the use of its name in commentaries critical of its conduct. The legitimate aim of the anti-dilution statute is to prohibit the unauthorized use of another's trademark in order to market incompatible products or services. The Constitution does not, however, permit the range of the anti-dilution statute to encompass the unauthorized use of a trademark in a noncommercial setting such as an editorial or artistic context.

The district court's application of the Maine anti-dilution statute to appellant's noncommercial parody cannot withstand constitutional scrutiny. Drake has not used Bean's mark to identify or market goods or services; it has used the mark solely to identify Bean as the object of its parody. The reading of the anti-dilution provision advanced by the district court would improperly expand the scope of the anti-dilution statute far beyond the frontiers of commerce and deep into the realm of expression. "Courts obviously cannot regulate the type of descriptive, non-trade use involved here without becoming the monitors of the spoken or written English language." *Lucasfilm Ltd. v. High Frontier,* 622 F.Supp. at 935.

Our reluctance to apply the anti-dilution statute to the instant case also stems from a recognition of the vital importance of parody. Although, as we have noted, parody is often offensive, it is nevertheless "deserving of substantial freedom — both as entertainment and as a form of social and literary criticism." *Berlin v. E.C. Publications, Inc.,* 329 F.2d 541 (2d Cir.), *cert. denied,* 379 U.S. 822, 85 S.Ct. 46, 13 L.Ed.2d 33 (1964). *Accord Fisher v. Dees,* 794 F.2d 432, 437-38 (9th Cir. 1986) ("'Destructive' parodies play an important role in social and literary criticism and thus merit protection even though they may discourage or discredit an original author.");

Pring v. Penthouse International, Ltd., 695 F.2d 438 (10th Cir. 1982), *cert. denied*, 462 U.S. 1132, 103 S.Ct. 3112, 77 L.Ed.2d 1367 (1983) (defendants' bawdy "spoof" and "ridicule" of Miss America pageant entitled to full range of first amendment protection); *Groucho Marx Productions v. Day and Night Co.*, 689 F.2d 317, 319 n.2 (2d Cir. 1982) (noting "the broad scope permitted parody in first First Amendment law."); *Elsmere Music v. National Broadcasting Co.*, 623 F.2d 252, 253 (2d Cir. 1980) ("in today's world of unrelieved solemnity, copyright law should be hospitable to the humor of parody. . . ."). It would be anomalous to diminish the protection afforded parody solely because a parodist chooses a famous trade name, rather than a famous personality, author or creative work, as its object.[5]

The district court's injunction falls not only because it trammels upon a protected form of expression, but also because it depends upon an untoward judicial evaluation of the offensiveness or unwholesomeness of the appellant's materials. The Supreme Court has recognized the threat to free speech inherent in sanctioning such evaluations. *Cohen v. California*, 403 U.S. 15, 25, 91 S.Ct. 1780, 1788, 29 L.Ed.2d 284 (1971). Never-

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[5] We recognize that the plaintiffs in *Pillsbury Co. v. Milky Way Productions, Inc.*, 215 U.S.P.Q. (BNA) 124 (N.D. Ga. 1981), obtained injunctive relief against *Screw* magazine, which had published pictures of facsimiles of Pillsbury's trade characters, "Poppin Fresh" and "Poppie Fresh," engaged in sexual intercourse and fellatio. The pictorial also featured plaintiff's trademark and the refrain of its jingle, "The Pillsbury Baking Song." While the district court granted relief under Georgia's anti-dilution statute, 215 U.S. P.Q. at 135, it did so only after specifically declining to consider whether defendants' presentation constituted a parody. *Id.* at 129-30. The defendants in *Pillsbury* had tried to proffer parody as a defense to plaintiff's copyright infringement claim; they did not assert it as a defense to the dilution claim. *Pillsbury*, therefore, does not stand for the proposition that the publication of a parody properly may be enjoined under an anti-dilution statute, since the court never considered whether defendants had presented a parody, and defendants never asserted parody as a defense to the dilution claim.

theless, the district court was swayed by evidence suggesting that the "coarseness and baseness" of *High Society* would ineluctably damage Bean's mark. *L.L. Bean v. Drake*, 625 F.Supp. at 1536-37. The first amendment, however, does not warrant inquiry into "measures of distress or offensiveness, depending on the reader, listener or viewer." *United States v. Guarino*, 729 F.2d 864, 867 (1st Cir. 1984) (en banc). While appellant's article is coarse and vulgar, "sexually explicit but nonobscene materials,[6] however distasteful, are entitled to no less protection than other forms of expression." *Fantasy Book Shop, Inc. v. City of Boston*, 652 F.2d 1115, 1126 (1st Cir. 1981). *Accord Winters v. New York*, 333 U.S. 507, 518, 68 S.Ct. 665, 671, 92 L.Ed. 840 (1948); *Lerman v. Flynt Distributing Co.*, 745 F.2d 123, 138 (2d Cir. 1984), *cert. denied*, 471 U.S. 1054, 105 S.Ct. 2114, 85 L.Ed.2d 479 (1985); *Pring v. Penthouse International, Ltd.*, 695 F.2d at 443.

Finally, we reject Bean's argument that enjoining the publication of appellant's parody does not violate the first amendment because "there are innumerable alternative ways that Drake could have made a satiric statement concerning 'sex in the outdoors' or 'sex and camping gear' without using plaintiff's name and mark." This argument fails to recognize that appellant is parodying L.L. Bean's catalog, not "sex in the outdoors." The central role which trademarks occupy in public discourse (a role eagerly encouraged by trademark owners), makes them a natural target of parodists. Trademark parodies, even when offensive, do convey a message. The message may be simply that business and product images need not always be taken too seriously; a trademark parody reminds us that we are free to laugh at the images and associations linked with the mark. The message also may be a simple form of entertainment

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[6] The question of the obscenity of the article or the entire magazine has not been raised.

conveyed by juxtaposing the irreverent representation of the trademark with the idealized image created by the mark's owner. *See* Note, *Trademark Parody*, 72 Va. L. Rev. at 1109. While such a message lacks explicit political content, that is no reason to afford it less protection under the first amendment. *Shad v. Mount Ephraim*, 452 U.S. 61, 65-66, 101 S.Ct. 2176, 2180-2181, 68 L.Ed.2d 671 (1981). Denying parodists the opportunity to poke fun at symbols and names which have become woven into the fabric of our daily life, would constitute a serious curtailment of a protected form of expression.

Reversed and remanded.

LEVIN H. CAMPBELL, Chief Judge (dissenting).

I think it is premature to pass on the constitutionality of the Maine trademark dilution statute, Me. Rev. Stat. Ann. tit. 10, § 1530 (1981), without a determination whether, under Maine law, a pornographic parody of this kind would violate that statute.

Normally, we would ourselves make this determination, and, of course, we have jurisdiction to do so. There is, however, no realistic way for this court to predict how the Maine courts would apply the dilution statute in these circumstances. No Maine court has decided the question, and there appears to be no relevant precedent from other states having similar "dilution" statutes. Hence any decision of ours on whether, under Maine law, the Maine dilution statute proscribes defendant's conduct would tend to be guesswork. My colleagues do not attempt this, and I do not suggest anything would be gained by doing so.

But we have an avenue to secure a meaningful determination of whether or not defendant's conduct violated the Maine law.

We, or better, the district court on remand, could certify the question to the Maine Supreme Judicial Court. I recognize there is an obstacle to certification at this stage in the case. The Maine Supreme Judicial Court has expressed an unwillingness, as a matter of policy, to accept a certified question that will not be dispositive of a federal case. *See* Me. Rev. Stat. Ann. tit. 4, § 57 (Supp. 1986); Me.R.Civ.P. 76B(a); *White v. Edgar*, 320 A.2d 668, 677 (Me. 1974); *In re all Maine Asbestos Litigation*, 772 F.2d 1023, 1026 n.4 (1st Cir. 1985), *cert. denied*, ___ U.S. ___, 106 S.Ct. 1994, 90 L.Ed.2d 675 (1986). The court might believe that situation was present here, as the case still awaits trial of the likelihood of confusion issue. If plaintiff proves likelihood of confusion, it might obtain on other grounds all the relief it requested, in effect mooting the dilution claim.

But while the Maine court might decline certification at this juncture, we could remand with directions to the district court to certify at a later time, whenever the proceedings below have reached a stage that certification is in order.[7]

Certification would permit the state court to decide whether or not a pornographic parody of this type constitutes trademark dilution under the Maine statute. For some of the same reasons suggested in Judge Bownes's opinion, it may not — in which case there would be no need for us to address the constitutional issue at all. If, on the other hand, the state court were to hold that the dilution statute was offended by defendant's conduct, we would have the benefit of the Maine court's reasoning — which

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[7] Were plaintiff to prove likelihood of confusion, controversy over the dilution claim might, of course, cease, making it unnecessary to decide that claim in this case. If so, that would simply be one more example of the fact that courts exist to decide live controversies, not abstract questions. Such a result should cause no alarm.

might give rise to somewhat different First Amendment issues depending, for example, on whether it rested solely on the special offensiveness of a pornographic parody, or whether it found the statute reached *any* parody.

It would, in any event, be more in keeping with the canons of constitutional adjudication and with the proper division of responsibilities between state and federal courts to ask the state court to determine the coverage of the trademark dilution statute in regard to conduct such as existed here. *See Ashwander v. Tennessee Valley Authority*, 297 U.S. 288, 347, 56 S.Ct. 466, 483, 80 L.Ed. 688 (1936) (Brandeis, J., concurring) ("[t]he Court will not pass upon a constitutional question although properly presented by the record, if there is also present some other ground upon which the case may be disposed of. . . . Thus, if a case can be decided on either of two grounds, one involving a constitutional question, the other a question of statutory construction or general law, the Court will decide only the latter") (*citing Light v. United States*, 220 U.S. 523, 538, 31 S.Ct. 485, 488, 55 L.Ed. 570 (1911); *Siler v. Louisville & Nashville R. Co.*, 213 U.S. 175, 191, 29 S.Ct. 451, 454, 53 L.Ed. 753 (1909)); *see also Rescue Army v. Municipal Court*, 331 U.S. 549, 568-72, 67 S.Ct. 1409, 1419-21, 91 L.Ed. 1666 (1947) (explaining why courts should avoid unnecessary constitutional adjudication).

I can understand why, with immediate certification probably unavailable, my colleagues do not care to delay. But there is no reason why the likelihood of confusion issue cannot be speedily resolved, after which, assuming the controversy continues, certification can take place. And I do not find the constitutional issue either easy or obvious, nor in such need of instant resolution that it cannot await a more deliberate process.

I would, therefore, remand without deciding the constitutional issue, directing the district court to certify to the Maine

Supreme Judicial Court, at an appropriate later stage in the proceeding, the question whether Maine's dilution statute covers this type of conduct. Until we have the answer to this question, I would not consider the constitutional question. I therefore dissent.

UNITED STATES COURT OF APPEALS
FOR THE FIRST CIRCUIT

No. 86-1202
No. 86-1203.

L.L. BEAN, INC.,
Plaintiff, Appellee,

v.

DRAKE PUBLISHERS, INC., ET AL.,
Defendants, Appellants.

JUDGMENT

Entered: February 10, 1987

These causes came on to be heard on appeals from the United States District Court of Maine, and were argued by counsel.

Upon consideration whereof, It is now here ordered, adjudged and decreed as follows: The orders of the district court are vacated and the cause is remanded to the district court for further proceedings consistent with the opinion filed this day.

By the Court:

FRANCIS P. SCIGLIANO, CLERK

By: Richard W. Gordon
Chief Deputy Clerk

UNITED STATES COURT OF APPEALS
FOR THE FIRST CIRCUIT

L.L. BEAN, INC.,
Appellee,

vs. Case Nos. 86-1202, 86-1203

DRAKE PUBLISHERS, INC.,
Appellant.

NOTICE OF APPEAL TO
THE SUPREME COURT OF THE UNITED STATES

Notice is hereby given that L.L. Bean, Inc, the above-named Plaintiff, hereby appeals to the Supreme Court of the United States from the judgment of the United States Court of Appeals for the First Circuit entered in this action on February 10, 1987.

This appeal is taken pursuant to 28 U.S.C. § 1254 (2).

/s/George S. Isaacson
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Supreme Court, U.S.
FILED
JUN 6 1987
JOSEPH F. SPANIOL, JR.
CLERK

No. 86-1787.

In the
Supreme Court of the United States.

OCTOBER TERM, 1986.

L.L. BEAN, INC.,
APPELLANT,

v.

DRAKE PUBLISHERS, INC., ET AL.,
APPELLEES.

ON APPEAL FROM THE UNITED STATES COURT OF APPEALS
FOR THE FIRST CIRCUIT.

Motion to Dismiss and for Summary Affirmance.

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Questions Presented.

The questions presented by this Motion to Dismiss or affirm are:

I. Whether this Court has jurisdiction to hear an appeal from a disposition of one, but not all, of a multi-count complaint alleging various federal and state causes of action, where the district court made no determination or direction under Rule 54 (b);

II. Whether the decision of the Court of Appeals held the application of the Maine Anti-dilution Statute to be unconstitutional or whether it merely construed the statute; and

III. Whether the grounds asserted on appeal are so insubstantial as to warrant no further argument.

Table of Contents.

Questions presented	i
Motion to dismiss or affirm	1
Statement of the case	2
Argument	3
I. The Court of Appeals for the First Circuit did not find the anti-dilution statute unconstitutional as applied and, therefore, this Court has no jurisdiction to hear a direct appeal	3
II. The judgment below lacks finality	4
III. Drake submits that none of the issues raised by Bean are significant enough to command the plenary jurisdiction of this Court	5
A. This case does not present an issue left unresolved by previous Supreme Court cases	5
B. The question presented is insubstantial	6
C. The lower courts are not in conflict on the issues presented by this appeal	7
D. No confusion exists over the concept of "commercial speech"	9
E. The First Circuit has not confused trademark and copyright law concepts	11
Conclusion	11

Table of Authorities Cited.

CASES.

Bolger v. Youngs Drug Products Corp., 463 U.S. 60, (1983)	10
Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd., 604 F.2d 200 (2d Cir. 1979)	8, 9

Friedman v. Rogers, 440 U.S. 1 (1979) 5, 6
Mutual of Omaha Insurance Co. v. Novak, 775 F.2d 247 (8th Cir. 1985) 7
New Orleans v. Dukes, 472 U.S. 297, 96 S.Ct. 2513, 49 L.Ed.2d 511 (1976) 4
Pignons, S.A. De Mecanique De Precision v. Polaroid Corp., 657 F.2d 482 (1st Cir. 1981) 7
Virginia State Board of Pharmacy v. Virginia Citizens Consumer Council, Inc., 425 U.S. 748 (1976) 10
Wooley v. Maynard, 430 U.S. 705 (1977) 6n

CONSTITUTIONAL PROVISIONS.

United States Constitution
Amendment I *passim*

STATUTORY PROVISIONS.

Federal:

15 U.S.C. § 1114(1) 2, 7
15 U.S.C. § 1125(a) 2, 7
28 U.S.C. § 1292(a)(1) 2, 5
28 U.S.C. § 1254(2) 3

Federal Rules of Civil Procedure
Rule 54(b) 5

State:

Maine, Rev. Stat. Ann. tit. 10 § 1212 2
Maine, Rev. Stat. Ann. tit. 10 § 1530 2

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Motion to Dismiss and for Summary Affirmance.

Motion to Dismiss or Affirm.

The appellees move the Court to dismiss the appeal herein or, in the alternative, to affirm the judgment of the United States Court of Appeals for the First Circuit on the grounds that this Court lacks jurisdiction over the appeal and that the questions on which the decision of the cause depends are so insubstantial as to need no further argument.

Statement of the Case.

The jurisdictional problem presented by L.L. Bean's appeal is based upon the following facts and procedural events:

(1) The complaint in this action contained eight counts, each incorporating a separate and distinct cause of action, as follows:

Count I. Maine's Trademark Dilution Law, 10 M.R.S.A. § 1530;

Count II. § 32(1) of the Lanham Act (15 U.S.C. § 1114(1));

Count III. § 43(a) of the Lanham Act (15 U.S.C. § 1125(a));

Count IV. Common law unfair competition;

Count V. Maine's Deceptive Trade Practices Act, 10 M.R.S.A. § 1212;

Count VI. Interference with prospective business advantage;

Count VII. Trade libel;

Count VIII. Claim for punitive damages.

(2) The District Court's disposition of the cross motions for summary judgment resulted in an injunction against defendant's publication under Count I and dismissal of Counts VI and VII. The other five counts remain pending.

(3) The Court of Appeals for the First Circuit had jurisdiction to hear the appeal from the injunction under 28 U.S.C. § 1292(a)(1). The Court of Appeals vacated the injunction issued by the District Court and remanded.

(4) This appeal ensued.

Argument.

I. The Court of Appeals for the First Circuit Did Not Find the Anti-Dilution Statute Unconstitutional as Applied and, Therefore, This Court Has No Jurisdiction to Hear a Direct Appeal.

Under 28 U.S.C. § 1254(2), this Court has jurisdiction to hear a direct appeal from a party who has relied upon a state statute held by a court of appeals to be invalid as repugnant to the Constitution. Bean bases its appeal upon the ground that the First Circuit held Maine's anti-dilution statute to be unconstitutional as applied. A careful reading of the First Circuit's opinion, however, shows that the appeals court was not holding the anti-dilution statute unconstitutional, but rather construing it so as to avoid unconstitutionality.

The First Circuit noted that:

> Neither the strictures of the first amendment *nor the history and theory of anti-dilution law* permit a finding of tarnishment based solely on the presence of an unwholesome or negative context in which a trademark is used without authorization. *Such a reading of the anti-dilution statute unhinges it from its origins in the marketplace.*

(Jurisdictional Statement App. at 24a) (emphasis added).

The Court also observed:

> *If the anti-dilution statute were construed* as permitting a trademark owner to enjoin the use of his mark in a noncommercial context found to be negative or offensive, then a corporation could shield itself from criticism by forbidding the use of [plaintiff's] name

> in commentaries critical of its conduct. The legitimate aim of the anti-dilution statute is to prohibit the unauthorized use of another's trademark in order to market incompatible products or services. . . .
>
> The reading of the anti-dilution provision advance by the district court would improperly expand the scope of the anti-dilution statute far beyond the frontiers of commerce and deep into the realm of expression.

(Jurisdictional Statement App. at 28a) (emphasis added).

As the above-quoted language suggests, the First Circuit examined the history, theory, and policy of the anti-dilution statute in order to determine its scope. Such an examination would have been unnecessary if the Court were convinced that the anti-dilution statute applied to the "Sex Catalog" and simply intended to hold that application unconstitutional. Rather, it appears that the First Circuit decided that the First Amendment would not be offended if the anti-dilution statute were interpreted so as to confine its application to unauthorized commercial uses of trademarks and to exclude non-commercial uses.

Therefore, the Court lacks jurisdiction to hear a direct appeal.

II. The Judgment Below Lacks Finality.

The policies underlying the "finality" test identified by this Court in *New Orleans* v. *Dukes*, 472 U.S. 297, 303, 96 S.Ct. 2513, 2516, 49 L.Ed. 2d 511, 516 (1976) — avoiding needless constitutional decisions, piecemeal review and the rendering of advisory opinions — would not be served by hearing this appeal. There are other pending federal and state law claims in the case, which, if decided in favor of plaintiff, could result

in the issuance of an injunction against the "Sex Catalog" and render moot consideration of the constitutionality of the injunction issued by the District Court under the anti-dilution statute. Moreover, because this case was brought before the Court of Appeals pursuant to its statutory power under 28 U.S.C. § 1292(a)(1) to consider interlocutory appeals, no determination or direction for entry of a final judgment pursuant to Rule 54(b), F.R.C.P., was made by the District Court. Congress has not seen fit to enact a jurisdictional counterpart to 28 U.S.C. § 1292(a)(1), endowing this Court with appellate jurisdiction coextensive with that of the courts of appeals to hear interlocutory appeals. Therefore, this Court may lack jurisdiction to hear the instant appeal.

III. Drake Submits That None of the Issues Raised by Bean Are Significant Enough to Command the Plenary Jurisdiction of this Court.

A. *This Case Does Not Present an Issue Left Unresolved by Previous Supreme Court Cases.*

Bean suggests that its trademark rights not only embody property rights but rights of commercial speech to be balanced against Drake's commercial speech rights (Jurisdictional Statement at 8-10). Because the reach of commercial speech rights exercisable by a trademark owner has been explored in only one Supreme Court case, *Friedman* v. *Rogers*, 440 U.S. 1 (1979), and because this area of the law is "as yet uncharted," Bean asks this Court to use the present appeal as an opportunity to provide guidance on the subject (Jurisdictional Statement at 9-10).

Bean's right to speak is not at issue in this case. Bean has an unquestionable right to use its trademark in any way it sees

fit, subject only to reasonable government regulation designed to prevent deceptive, misleading applications. *Friedman* v. *Rogers, supra* at 15-16. It is not Drake that is seeking to silence Bean, but Bean that is seeking to enjoin Drake from speaking under the anti-dilution statute.[1] While Bean's use of its trademark in a commercial context is a form of commercial speech, *Friedman* v. *Rogers, supra* at 11. Drake's use of that trademark, for reasons discussed in argument D of this Motion, is not commercial speech, but a form of literary expression. Thus, this Court need not consider the novel issue of how to balance the rights of two commercial speakers.

B. *The Question Presented Is Insubstantial.*

Nothing, beyond its colorful facts and the national prominence of Bean, raises this case to any greater significance than any other First Amendement prior restraint case. Bean's suggestion that the rights of millions of trademark owners hang in the balance is contradicted by the paucity of cases wherein state anti-dilution statutes have confronted First Amendment rights of satirists.

---

[1] Bean seeks to avoid this obvious conclusion by suggesting that Drake, through its unauthorized use of Bean's Trademark, is "speaking in the corporate voice of L.L. Bean," and that the First Circuit's decision, therefore, "would compel expression by a speaker who otherwise chooses to remain silent." See *Wooley* v. *Maynard*, 430 U.S. 705, 713 (1977) (Jurisdiction Statement at 14). *Wooley* v. *Maynard* has no application to this case. In *Wooley*, a state forced its motorists to become a "mobile billboard" for the state's motto by requiring the use of licenses plates bearing that motto and by criminally prosecuting drivers who covered up the motto. Bean is not being forced to subscribe to any form of expression or point of view through the use of its trademark, much less those contained in the "Sex Catalog." It is free to disassociate itself from and criticize both the "Sex Catalog" and Drake.

C. *The Lower Courts Are Not in Conflict on the Issues Presented by this Appeal.*

Bean suggests that the Second Circuit and the Eighth Circuit are in conflict with the First Circuit on the constitutionality of applying state anti-dilution statutes to trademark parody. In fact, no such conflict presently exists.

Mutual of Omaha Insurance Co. v. *Novak*, 775 F.2d 247 (8th Cir. 1985), cited by Bean, did not involve application of a state anti-dilution statute; instead, plaintiff relied only on the Lanham Act, 15 U.S.C. §§ 1114, 1125(a), and the Nebraska Uniform Deceptive Trade Practices Act, and "the district court reached only the Lanham Act issues in granting the preliminary injunction." *Id.* at 248.

The Court of Appeals affirmed the grant of the preliminary injunction, stating:

> The [district] court also rejected Novak's [defendant's] argument that his designs were good faith parodies and not subject to the Lanham Act. The court held that a validly established trademark may be protected from ridicule *which rises to the level of infringement of the mark.*

Id. at 249 (emphasis added).

The Lanham Act, unlike state anti-dilution law, does not prohibit all unauthorized uses of a trademark likely to cause injury to business reputation or dilution of the mark. It only bars unauthorized uses likely to cause confusion. 15 U.S.C. § 1114(1); *Pignons, S.A. De Mecanique De Precision* v. *Polaroid Corp.*, 657 F.2d 482, 486-487 (1st Cir. 1981).

The likelihood of confusion element embodied in the Lanham Act alleviates, to some extent, the constitutional and

construction problems posed by the anti-dilution statute. The Court of Appeals pointed out below:

> We note that a parody which engenders consumer confusion would be entitled to less protection than is granted by our decision today. *See*, Note *Trademark Parody*, 72 Va. L.Rev. at 1112. A parody which causes confusion in the market place implicates the legitimate commercial and consumer protection objectives of trademark law.[2]

(Jurisdictional Statement App. at 26a n.3.)

The second case cited by Bean, *Dallas Cowboys Cheerleaders, Inc.* v. *Pussycat Cinema, Ltd.*, 604 F.2d 200 (2d Cir. 1979) involved both the Lanham Act and New York's anti-dilution statute. However, *Dallas Cowboys* is distinguishable from the case before this Court.

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[2] We do not wish to imply by this citation to the Court's opinion that we agree with its implications. It is our position that *non-commercial* parody such as the parody in question in this case can never constitute trademark infringement, as well as dilution. This should be obvious since such parody is not trademark usage. A trademark is designed to identify the source of origin of commercial goods; a true parody does quite the opposite — it identifies only that which is parodied.

The danger of permitting enjoining of parody is reflected in the District Court's decision in this case, wherein it enjoined Drake:

> from again publishing the "L.L. Beam Sex Catalog" contained in the October 1984 issue of *High Society* magazine *or making any other use of facsimiles of L.L. Bean's trademarks.*

(Jurisdictional Statement App. at 14a.) (emphasis added).

Thus, any use of Bean's trademarks in Drake's publications, even a laudatory editiorial usage, is forever barred. The scope of the injunction was raised on appeal by Drake, but not ruled on by the Court of Appeals.

In *Dallas Cowboys*, the Court found that the defendant's use of imitations of plaintiff's cheerleader uniforms in defendant's x-rated movie generated a strong likelihood of confusion within the meaning of the Lanham Act sufficient to support a preliminary injunction. The Second Circuit never really reached the anti-dilution issue, relegating its comments to a footnote wherein it stated:

> Even if plaintiff had not established a likelihood of confusion, it would be entitled to relief under New York General Business Law § 368-d, which permits the enjoining of trademark copying despite the absence of confusion as to source or sponsorship.

Dallas Cowboys, 604 F.2d at 205 n.8. It should be noted that plaintiff in this case, which the Court of Appeals repeatedly characterized as a trademark infringement action, was engaged in a broad licensing program of its trademark, including media licensing. The Court of Appeals held that defendants made confusing use of plaintiff's *trademark*, and that "defendants use of plaintiff's uniform *hardly qualifies as parody* or any other form of fair use." *Id.* at 206 (emphasis added).

D. *No Confusion Exists Over the Concept of "Commercial Speech."*

Bean suggests that the "Sex Catalog" is a blend of "commercial" and "non-commercial" speech and that the protection to be afforded such mixed speech is a pressing issue of constitutional significance.

Drake submits that the issue of mixed speech has already been addressed by this Court and that, in any event, the speech involved in this case is purely non-commercial speech.

"Commercial speech" is "speech which does 'no more than propose a commercial transaction.'" *Bolger* v. *Youngs Drug Products Corp.*, 463 U.S. 60, 66 (1983); *Virginia State Board of Pharmacy* v. *Virginia Citizens Consumer Council, Inc.*, 425 U.S. 748, 762 (1976). To the extent that a proposal to engage in a commercial transaction is combined with informational speech, the proper classification of the communication as "commercial" or "non-commercial," may become a closer factual question but certainly not an insoluble one.

In *Bolger*, for instance, this Court held that the mailing of unsolicited advertisements for contraceptives, which included informational materials on the general qualities of prophylactics, was commercial speech. The Court based its finding upon the existence of a combination of three facts: (1) the materials were advertisements; (2) they referred to a specific product; and (3) there was an economic motive for their dissemination. *Bolger* v. *Youngs Drug Products Corp.*, *supra* at 67. The Court noted, however, that the economic motivation for the mailing "would be clearly insufficient by itself to turn the materials into commercial speech." *Id.*

Although citing *Bolger*, Bean ignores the holding of that case and seeks to characterize the "Sex Catalog" as commercial speech solely on the basis of the defendant's economic motivation in publishing the article as part of its magazine. Bean ignores the fact that the "Sex Catalog" was not an advertisement and that it did not refer to any products. To hold otherwise would be tantamount to saying that news articles appearing in a daily newspaper were "commercial speech" because their publication was the result of editorial judgments based in part upon the desire to sell more newspapers. Moreover, the First Circuit necessarily assumed for the purposes of reviewing the appeal from entry of summary judgment that the "Sex Catalog" was a literary parody (Jurisdictional Statement App. at 17a). Thus, the "Sex Catalog" *must* be deemed "non-commercial" speech in the posture of this appeal.

E. *The First Circuit Has Not Confused Trademark and Copyright Law Concepts.*

Bean contends that the First Circuit, in concluding that Drake had a First Amendment right to parody Bean's Trademarks, improperly invoked the copyright defense of "fair use" (Jurisdictional Statement at 14-15). While the First Circuit quoted from copyright cases extolling the praises of parody (Jurisdictional Statement App. at 28a-29a), one looks in vain for any holding that "fair use" is a defense to trademark parody. It simply does not form a basis for the Court's ruling.

Conclusion.

For the above-stated reasons, the motion to dismiss the appeal herein, or in the alternative to affirm the judgment of the Court of Appeals for the First Circuit, should be granted.

Respectfully submitted,

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June 5, 1987

Case Nos. 86-1787 [redacted]

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-against-

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On Appeal from the United States Court of Appeals for the First Circuit

—o—

BRIEF OF AMICUS CURIAE STATE OF MAINE IN SUPPORT OF APPELLANT L.L. BEAN, INC.

—o—

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TABLE OF CONTENTS

Page

Table of Authorities ii

Statement of Interest of *Amicus Curiae* 1

Summary of Argument 3

Argument:

A. Maine has an important interest in upholding its trademark antidilution statute as part of its regulation of businesses and protection of property rights. 4

B. Review of this case will resolve inconsistencies among the circuits and protect the balance between the federal and state judiciaries. 5

Conclusion 6

TABLE OF AUTHORITIES

Page

CASES:

Chemical Corp. of America v. Anheuser-Busch, Inc., 306 F.2d 433 (5th Cir. 1962, cert. den. 372 U.S. 965 (1963) 5

Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd., 604 F.2d 200 (2d Cir. 1979) 5

Mutual of Omaha Insurance Co. v. Novak, 775 F.2d 247 (8th Cir. 1985) 5

CONSTITUTIONAL PROVISIONS:

United States Constitution Amendment I 2

FEDERAL STATUTES:

15 U.S.C. §§ 1051-1127 (1976) 4

FEDERAL COURT RULES:

Rules of the United States Supreme Court, Rule 36.4 1

STATE STATUTES:

Maine, Rev. Stat. Ann. tit. 10, § 1530 (1981) ..... *passim*

Case Nos. 86-1202, 86-1203

In The

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October Term, 1986

L.L. BEAN, INC.,

Appellant,

-against-

DRAKE PUBLISHERS, INC., et al.,

Appellees.

On Appeal from the United States Court of Appeals for the First Circuit

BRIEF OF AMICUS CURIAE STATE OF MAINE IN SUPPORT OF APPELLANT L.L. BEAN, INC.

Statement of Interest of Amicus Curiae

This brief is filed on behalf of the State of Maine as *amicus curiae* pursuant to Rule 36.4 of the Supreme Court

Rules, in support of the Jurisdictional Statement of Appellant L.L. Bean, Inc.

The isssues raised by this case are of great importance to the State of Maine. The Court of Appeals for the First Circuit held that Me. Rev. Stat. Ann. tit. 10, § 1530 (1981) which protects trademarks against dilution, as applied to the facts presented in this case, violates the First Amendment's guarantee of free speech. The statute in question is part of the State's program of economic regulation and is designed to protect property rights connected with trademarks. Because the First Circuit decision creates a sharp disagreement among federal appellate courts over the circumstances in which state trademark antidilution statutes may be constitutionally applied, the First Circuit's ruling is a matter of important concern to the State.

Moreover, the State of Maine has an interest in sustaining the constitutionality of the acts of its legislature. The effect of the First Circuit Court of Appeals decision is to place a restriction on the application of the Maine antidilution statute that may never have been intended or anticipated by the Maine Legislature. In addition, no Maine court has interpreted the Maine law to include the non-statutory exceptions created by the First Circuit decision. By construing a statute not yet interpreted by Maine courts, the decision upsets the balance between federal and state judiciaries in interpreting state legislation. Maine's strong interest in these matters prompts submission of this *amicus curiae* brief.

SUMMARY OF ARGUMENT

This Court should grant plenary consideration of the constitutional question raised by this appeal. Maine's trademark antidilution statute is a part of the state's general scheme of economic regulation, and Maine has an important interest in upholding the legislative protection given to trademark holders. Given the conflict among the federal Circuit Courts of Appeal on this issue, the decision of the Court of Appeals for the First Circuit should be reviewed to prevent further confusion regarding the circumstances in which state antidilution statutes may be constitutionally applied. Finally, relations between federal and state courts would be better served by permitting state courts, in the first instance, to construe and interpret the acts of their legislatures.

—o—

ARGUMENT

This case presents important issues concerning the appropriate relations between federal and state courts which should be resolved by the Supreme Court on plenary review. By passing on the constitutionality of the Maine trademark antidilution statute before any court of the State of Maine has had an opportunity to interpret it, the First Circuit preempted the right of Maine courts to interpret and construe state legislation.[1] Moreover, other circuits considering similar application of state trademark

---

[1] As Chief Judge Campbell of the First Circuit Court of Appeals pointed out in his dissenting opinion in this case, the statute has never been construed by a court of the State of Maine.

antidilution statutes have reached a different conclusion than the First Circuit here. Full Supreme Court review should be granted to address these issues.

A. Maine has an important interest in upholding its trademark antidilution statute as part of its regulation of businesses and protection of property rights.

Maine is one of twenty-two states which have enacted a trademark antidilution statute as a means of serving a discrete end in a broad scheme of economic regulation. Maine's antidilution statute works in concert with federal trademark law by filling a void left by the federal legislation commonly known as the Lanham Act, 15 U.S.C. §§1051-1127 (1976). The Maine statute confers a cause of action on the owner of a trademark for injury which may result from the abuse of its trademark even in the absence of competition between the abuser and the mark's owner and even under circumstances where there is no likelihood of confusion. These are elements which are required before a trademark owner can avail itself of the procedural and remedial provisions of the federal law.

Consistent with the traditional view of trademarks as property, the antidilution statute reflects the judgment of the Maine Legislature that a company's trademark, the very embodiment of the company itself, is worthy of the State's protection. The State law protects a mark from suffering damage to its unique and distinctive qualities and valued associations even where such damage is not the result of consumer confusion. The current case presents an excellent example of a situation where the Maine antidilution statute fills a void left by federal trademark law. Here an unauthorized non-competing party ex-

ploited an owner's trademark by exposing it to obscene associations. The Maine statute demonstrates a legislative recognition of the business importance of a company retaining exclusive control over the use of its trademarks because of that company's economic interest in fostering only those trademark associations it has chosen and in maintaining the integrity of trademark associations in which it has invested.

The State of Maine has an inherent interest in the outcome of any litigation concerning the constitutionality of a statute its legislature has seen fit to enact. That interest is especially keen here, where the statute in question serves a precise and well-tailored purpose in the broad scheme of the State's system of economic regulation. Permitting the First Circuit opinion to stand would undermine the legitimate interests of the State of Maine both in this specific legislation and in the broader economic interests such legislation serves.

B. Review of this case will resolve inconsistencies among the circuits and protect the balance between the federal and state judiciaries.

In *Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd.*, 604 F.2d 200, 206 (2d Cir. 1979), the United States Court of Appeals for the Second Circuit examined a trademark antidilution statute that is virtually identical to the Maine statute and reached precisely the opposite result. It upheld the trademark antidilution statute against First Amendment attack. The Court of Appeals for the Fifth and Eighth Circuits concur. *See Mutual of Omaha Insurance Co. v. Novak*, 775 F.2d 247, 249 (8th Cir. 1985); *Chemical Corp. of America v. Anheuser-Busch, Inc.*, 306

F.2d 433 (5th Cir. 1962), *cert. den.*, 372 U.S. 965 (1963). Should the opinion of the Court of Appeals for the First Circuit in this case stand, Maine corporations will be afforded substantially less protection than is given corporations doing business in the Second, Fifth, and Eighth Circuits. The conflict among the Circuits on this issue is itself sufficient ground for this Court to grant review.

Finally, state courts, like their federal counterparts, are entrusted with the interpretation of legislative enactments and the balancing of federal constitutional rights. Where a state statute is challenged on federal constitutional grounds, federal/state relations are undermined if a state court is not provided the opportunity to first examine and construe legislation passed by its own state legislature. Maine courts should have the opportunity to construe this statute before it is so severely limited by the federal judiciary.

CONCLUSION

For the foregoing reasons, plenary review should be granted.

Dated this 8th day of June, 1987.

Respectfully submitted,

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